FINANCIAL TIMES

No. 27,531 Tuesday April 11 1978

CONTINENTAL SELLING PRICES; AUSTRIA Sch.18; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.0; GERMANY DM2.0; ITALY L.500; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; EIRE 15p

NEWS SUMMARY

GENERAL

Parcel bomb probe: held

Scotland Yard anti-terrorist squad detectives investigating recent letter bomb attacks in London arrested three men in a series of raids yesterday.

The raids took place simultaneously at several addresses in London and Yorkshire. Last night two men from London were charged with offences under the Firearms Act.

Three small parcel bombs were delivered by post in London recently. Two were postmarked York.

Soviet official at UN defects

Mr. Arkady Shevchenko, 47, UN under-secretary general and the senior Soviet official in the UN Secretariat, has defected, the UN reported. Page 5

Lambeth meeting planned by Front

The National Front plans to hold a big public meeting in the racially sensitive area of Lambeth Central where a by-election is to be held next week. The Front is barred from marching in London under the two-month Metropolitan Police ban on political marches. NUR and the National Front, Page 10

Princess resumes

Princess Margaret resumed her engagements yesterday after recovering from red fin. Capt. Mark Phillips, husband of Princess Anne, was fined £15 at Bow Street Court for speeding. Endorsement of his licence was ordered. Prince Andrew began a parachute course at R.A.F. Brize Norton, Oxfordshire. Mr. Michael Shea, former deputy director of the British Information Services in New York, is to succeed Mr. Ron Allison as the Queen's press secretary on May 1.

News of Moro

The Red Brigades who claim the kidnap of former Italian Premier, Sig. Aldo Moro, issued communique No. 5" rejecting any "secret deal." A further message, purporting to come from Sig. Moro, appeared to appeal to the Government to negotiate openly with the terrorists. Page 2

Tanker rescue

Three casualties from the Liberian tanker, Tarseus, 38,912 tons, which had called for assistance in the Atlantic, were flown to the Ark Royal in a helicopter from the aircraft carrier.

Bracht's death

Baron Charles-Victor Bracht, the Belgian businessman whose body was found early yesterday on a rubbish dump, died of injuries inflicted during his kidnapping nearly five weeks ago, the public prosecutor said in Antwerp. Page 2

Israelis 'dig-in'

Israeli occupation forces appeared to be consolidating strategic positions in south Lebanon despite promises to begin a partial withdrawal to-day. Israelis were reported to be digging-in around the port of Tyre. Middle East, Page 4

Cold snap

Cold weather from the Arctic brought blizzards, black ice and snow showers to Britain. Bracknell Weather Centre said: "It could be with us for a few more days." Forecast, Back Page

Briefly . . .

A Belfast scrap metal dealer and three other Northern Ireland businessmen are seeking to buy Aintree racecourse.

A ground and air search was launched in Northern Ireland last night after an Army helicopter disappeared on a routine flight.

Six miners were killed in an explosion at Sanjidi near Quetta, Pakistan.

Brighton magistrates issued a fresh warrant for the arrest of businessman Mr. John Gaul, now in Malta, for the alleged murder of his wife.

BUSINESS

Equities fall 3.8; pressure on dollar

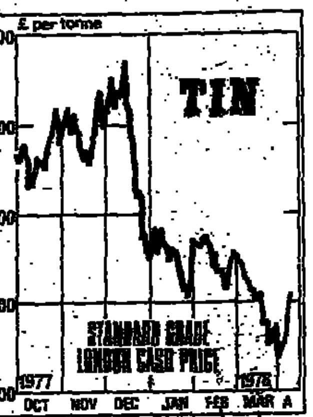
● EQUITIES lost ground as stock market activity remained subdued on the eve of the Budget. The FT 30-Share Index fell 3.8 to 463.3.

● GILTS showed further losses at the short end of the market, but long-dated stocks closed unchanged. The FT Government Securities Index fell 0.04 to 73.92.

● STERLING edged up 20 points against the dollar to $1.8765, but its trade-weighted index was unchanged at 62.2. Dollar came under pressure, its trade-weighted depreciation widening to 6.28 (6.19) per cent. Canadian dollar reached a new low of 87.46¼ U.S. cents.

● GOLD slipped 50 cents to $178.875. South Africa is to revalue its gold reserves at a market-related price. Page 4

● TIN prices rose sharply, the cash quotation closing £260 higher at £6,055 a tonne. The International Tin Council this week will consider producers' demands for a rise in the floor and ceiling price range. Page 31



● WALL STREET rose 4.07 to 773.65.

● U.S. TREASURY Bill rates at the weekly auction: threes 6.373 (6.417), sixes 6.743 (6.717) per cent.

● LEADERS of seven industrialised nations have set July 16 and 17 as the dates of their meeting in Bonn to discuss ways of promoting economic growth. Back Page.

Japan may curb U.S. car sales

● JAPANESE car makers are considering voluntary restraints on their exports to the U.S., their biggest overseas market. The Japanese Government has told the industry that it wants sales to stay at about the same level as last year. Back Page

● YKK FASTENERS, a subsidiary of Japan's zip manufacturer, will spend up to £5m. to expand its U.K. production. Page 7

● UKF FERTILISERS, a subsidiary of the Dutch DSM chemicals group, will invest £25m. in a new plant at Ince on Merseyside. Back Page

● GOVERNMENT is relaxing its policy on the proportion of North Sea oil which should be refined in the U.K. Until now, the Government has been seeking to refine two-thirds in the U.K. Back Page

● UNIONS will be urged by the transport workers' union to fight against the Government if it introduces a further stage of pay policy. Back Page

COMPANIES

● GLAXO made pre-tax profit of £40.26m. (£39.4m.) in the six months to December 31. Page 21 and Lex

● CADBURY SCHWEPPES faces a rigorous inquiry by U.S. antitrust authorities into its proposed $58m. (£31m.) deal to take over Peter Paul, the U.S. confectionery concern. Page 24

● ULTRAMAR could become embroiled in a legal battle in Canada if it is successful with a bid for the Come By Chance oil refinery. Page 7

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Bishop's Stores A	140	+ 8
Dewhirst (I. J.)	65	+ 5
Fisher (J.)	140	+ 8
Hawthorn Leslie	70	+ 6
Home Charm	116	+ 4
Johnson Cleaners	88	+ 4
Letraset	151	+ 6
ML Hldgs.	102	+ 4
Neill (Jas.)	96	+ 3
Ratcliffe (F. S.) Inds.	70	+ 5
Ratners	107	+ 6
Rowntree Mackintosh	393	+ 8
Scot & Unvrsl. Invs.	118	+ 6
Simpson (S.) A	88	+ 6
Yorks Fine Woollen	41	+ 4
Hong Kong Rubber	155	+ 10
Afrikander Lease	185	+ 20
Tasminex	70	+ 15

FALLS

Beecham	640	− 9
Costain (R.)	252	− 6
Fisons	336	− 8
Glaxo	515	− 12
Goode Drrnt. Murray	20	− 4
Linfood	130	− 7
Mothercare	154	− 4
LASMO	142	− 6
Hartebeest	£11	− ¼
Peko-Wallsend	447	− 10
Tara Exploration	825	− 35
UC Investments	220	− 7

Pound's fall leads to rise in cost of raw materials

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The cost of industry's raw materials and fuel rose sharply last month, for the first time since last April. The increase was principally the result of the decline in sterling.

However, the favourable trend in output/factory gate prices charged by manufacturing industry has continued and the underlying rate of increase has remained well down in single figures for the fourth month running.

The figures are the last economic indicator to be published before this afternoon's Budget statement by the Chancellor of the Exchequer, the first to be broadcast live on radio. Mr. Healey is expected to speak for only an hour to an hour and a quarter.

The output price trend is reassuring for the Chancellor and supports official hopes—likely to be reflected in new forecasts this afternoon — that the 12-month rate of retail price inflation will remain in single figures for the rest of this year. The rise was 9.5 per cent. in the 12 months to mid-February.

The rise in the cost of industry's raw materials is more worrying for price prospects in 1979, especially as the rate of increase in earnings has accelerated since last summer.

It takes between six and nine months for a rise in raw material costs to work through fully to retail prices. But now that the favourable trend of the April-to-February period, when costs fell by 7½ per cent., has ended, the medium-term prices outlook is more uncertain.

The index of manufacturing industry's raw material costs rose by 2 per cent. in March to 330.7 (1970=100). About half the rise is explained by the fall in sterling and the rest is accounted for by higher prices for coal in the U.K. and for imported commodities such as copper and vegetable oil.

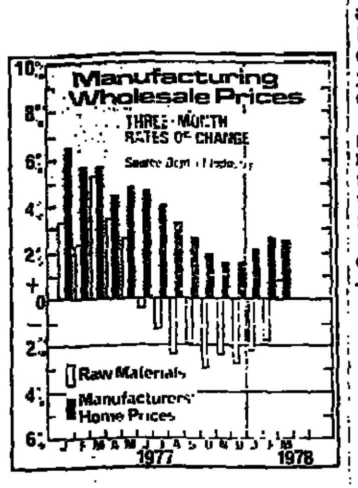
The index is calculated on the basis of an average value for sterling last month and the level of the pound so far in April is lower, pointing to a further rise in raw material costs.

The index of output prices charged by manufacturing industry rose by ½ per cent. in March to 280.4 (1970=100). This follows much larger increases, totalling 2.2 per cent. in the previous two months, which may have been affected by an annual bunching of rises at the start of the year.

The underlying rate of increase appears to be levelling out. This is best shown by the six-monthly rate, expressed on an annual basis. This has been

Continued on Back Page

Editorial comment, Page 18



WHOLESALE PRICES (1970=100)

		Output (Home Sales)	Raw Materials
1977	1st	248.0	341.5
	2nd	259.2	347.7
	3rd	267.7	340.5
	4th	272.1	330.6
1978	1st	278.9*	326.6*
1977	Oct.	271.0	333.8
	Nov.	272.0	329.9
	Dec.	273.3	328.0
1978	Jan.	277.1	324.9
	Feb.	279.2*	324.1*
	March	280.4*	330.7*

* Provisional.

Source: Department of Industry

Europeans may bid for British Steel plant

BY ROY HODSON

EUROPEAN STEELMAKING interests are considering making an offer for at least one of the British Steel Corporation's redundant works, if Government backing can be secured.

British Steel itself has performed not quite as badly as expected during the last 12 months of the world steel crisis, with losses for the year to the end of March of about £440m., £80m. less than forecast in January.

One steelworks known to be attracting attention from overseas is Glengarnock in Scotland. A West German steel company has been assessing the possibility of taking over the ageing plant, where open hearth steelmaking is due to end under the new British Steel strategy. The steel rolling side of Glengarnock, which makes rails and structural steel, is also seen by the Corporation as having only a limited future.

European steel interests are also considering other old steelmaking plants in the British Steel empire which have recently been closed or are due for closure — among them Ebbw Vale, East Moors, and Shelton.

Mr. Eric Varley, Industry Secretary, told the Commons yesterday he had no knowledge of any proposals to sell off British Steel plants to private industry. "No sales of steel plants would be allowed without Government sanctions," he said in reply to a question from Mr. Patrick McNair-Wilson, Conservative MP for the New Forest.

Mr. Varley will to-day receive a letter from Mr. McNair-Wilson asking for clarification of the Government's position about the sale of old steel plants to private companies.

In answer to the same question Sir Charles Villiers, British Steel chairman, had told Mr. McNair-Wilson that British Steel would be ready to discuss such sales; although he added a warning that the equipment was old and would not be suitable for modern economic operation.

The European entrepreneurs who are sounding out the British Government's attitude towards the sale of old steelworks calculate that some of the works in the closure programme could produce steel competitively and secure markets if purchased at written-down prices corresponding to their current value in British Steel's books.

The new figures for British Steel's losses were given to the Commons by Mr. Gerald Kaufman, Industry Minister, and follow an improvement in the Corporation's order books in recent months, partly as a result of the Davignon plan for curbing cheap steel imports into the EEC.

The closures of old and high cost works are also starting to have an impact on British Steel's finances, in every case producing far greater savings than the cost to the Corporation of redundancy payments and other compensation.

Mr. Kaufman said yesterday he would prefer to await the Corporation's audited results before giving a firm figure. He added that a £50m. allowance in British Steel's estimates for contingencies had "fortunately proved not to be required."

Parliament, Page 12

'Blacking' row stops the Sun

FINANCIAL TIMES REPORTER

Publication of the Sun newspaper was suspended last night. The management said the paper would not reappear until workers agreed to operate several presses "blacked" in a safety dispute.

This appears to be the latest attempt by a Fleet Street management to take a tough line with individual unions.

The strongly worded statement said that 10m. copies of the paper had been lost through industrial action this year, more than 800,000 of them in the previous three days, and claimed that it faced "industrial anarchy."

Mr. H. C. Hardy, chief executive, said: "News Group Newspapers has told the joint machine chapel that they are deemed to have dismissed themselves.

"Publication will not be resumed until such time as they undertake to honour their agreements, to produce the Sun operating those machines nominated by the company, and until they further undertake to use their utmost endeavour on all occasions to complete the print order."

Safety factor

The dispute concerned several presses, including two of the more modern and faster kind. In discussions with the chapel the management had maintained that no safety factor was involved, and that during the nine years of the Sun's existence no one in the machine room had been hurt by a plate break.

The safety of the two presses over which the dispute originated was examined at the chapel's request by a factories inspector who declared himself "completely satisfied" with the safety precautions.

"Last week, after a stringent test in the presence of chapel officials which revealed no safety hazard, the company decided that the situation had become intolerable." At the request of union officials the management had agreed to wait until last night's chapel meeting.

The management said it took its decision after a meeting of the chapel of the print union NATSOPA again refused to operate the machines as requested by the company.

CONTENTS OF TODAY'S ISSUE

FEATURES

For latest Share Index 'phone 01-246 8026

Another Leyland director resigns

BY ARTHUR SMITH

BRITISH LEYLAND announced another top-level resignation from its car group yesterday, that of Mr. David Simpson, the 43-year-old former manufacturing director.

Mr. Simpson was one of the members of the operating committee which ran Leyland Cars under the management system which Mr. Michael Edwardes, the new chairman, has now replaced.

He was also managing director-designate of Pressed Steel Fisher, one of the new companies set up by Mr. Edwardes.

Five of the 10 members of the operating group have now left: the others are Mr. Derek Whittaker, managing director, Mr. Geoffrey Whalen, personnel director, Mr. Keith Hopkins, sales and marketing director, and Mr. Jerry Clancy, director of service and parts.

There is little doubt that Mr. Edwardes would have liked to keep some of these executives. Other resignations slightly lower in the hierarchy and at middle management level are also depleting the company's managerial resources.

These include Ian Showan, director of manufacturing staffs, Roy Salmon, director of finance for manufacturing, Ron Hancock, managing director of SU Butec, and John Ferguson, director of foundry operations.

Mr. Edwardes clearly recognised that he would have to lose several executives when he put his reforms in train, since his plans for the new, decentralised structure of British Leyland was opposed by many senior managers.

In a brief statement issued by the company, Mr. Simpson was said to have "no disagreement with the objectives established by the new company."

Toolmakers dispute, Page 10

The Government order authorising extra National Enterprise Board contributions to British Leyland was approved by the Commons last night without a division. Against Tory opposition, a second order raising the NEB's borrowing powers from £700m. to £1bn. was carried by 279 votes to 252—a Government majority of 27.

Mr. James Prior, Tory spokesman on employment, pledged that a future Tory Government would continue the British Leyland rescue operation provided the company met its financial and production targets. But he warned that drastic changes would be made in the role of the NEB.

Parliament, Page 12

Transkei cuts links with South Africa

BY QUENTIN PEEL JOHANNESBURG, April 10.

TRANSKEI, the first tribal homeland in South Africa to be granted independence, to-day broke off diplomatic relations with its parent country and appealed for international aid to help it join the "struggle for liberation."

The announcement by Chief Kaiser Matanzima, Prime Minister of the Transkei, to his National Assembly, stunned political observers in Pretoria and Cape Town. There was no reaction from the South African government, but Mr. John Vorster, the Prime Minister, will give his response tomorrow.

Chief Matanzima, whose decision to accept independence in October, 1976, was condemned internationally as a product of apartheid, blamed his move on the South African Government's "contemptuous and brutal" decision to incorporate the neighbouring area of East Griqualand into the province of Natal, and not into the Transkei.

"We can no longer take it," he declared. "We have been compelled to join the liberation movements and claim the whole of South Africa as belonging to blacks and whites, with blacks controlling the majority.

"To us it is a declaration of war against Transkei. Knowing the strength of South Africa militarily, Transkei will bide its time before taking up arms to recover the land that has been cynically raped from it."

The immediate reaction was to see the move as aimed primarily at winning international recognition, so far denied, for the former homeland, rather than forcing South Africa to back down over East Griqualand, a wedge of country which divides Transkei into two. It could also be a move to stop the recent spate of defections from the ruling Transkei National Independence Party to the opposition.

Chief Matanzima emphasised his country's economic dependence on South Africa, which provides some R160m. (£98.4m.) of a R240m. (£147.6m.) budget. "Nobody should doubt the reaction of white South Africa to our decision," he said. "They will use everything possible to ostracise and apply sanctions against us. If they withdraw financial aid from us, it will be what we expected them to do. They are capable of doing anything. They have been capable of starving us for a long time."

Transkei would accept aid from any country which offered it, he said. Britain was particularly obliged to come to the assistance of what was a former colony.

He said that his ambassador and consuls in South Africa would be withdrawn from April 30, and South Africa's ambassador to Umtata sent back on the same day.

Chief Matanzima's decision is also seen as the result of other frustrations in Transkei's relations with its parent country. In spite of his claims that in future all Transkeians would be accorded the status of "foreign" blacks in South Africa, while keeping the rights of South African blacks, they are treated no differently from the rest of the country's black population. The enforced repatriation of squatters from Cape Town has also soured relations.

The move must put Mr. Vorster in something of a quandary, although, if the former homeland were to win the international recognition it wants, it would be a major victory for the policy of separate development.

Given the degree of international hostility to the South African system, such an outcome is highly unlikely. Chief Matanzima's claim to East Griqualand goes to the heart of the South African regime's unwillingness to consolidate the tribal homelands into geographically and economically viable units.

To give in would encourage all the other homelands to harden their demands for land currently farmed by whites.

Dr. David Owen, Foreign Secretary, and Mr. Cyrus Vance, U.S. Secretary of State, are expected to visit Rhodesia next week to try to persuade the transitional Government to take part in a conference with the Patriotic Front. Back Page

£ in New York

—	April 10	Previous
Spot	$1.8747-8757	$1.8760-8760
1 month	0.04-0.09 prem.	0.05dis-0.02pm
3 months	0.14-0.09 dis	0.15-0.14 dis
12 months	1.20-1.10 dis	1.15-1.00 dis

W. German Government facing test over wages

BY ADRIAN DICKS BONN, April 10.

THE WEST German Government, disappointed at what it considers only a barely acceptable pay deal in the metalworking industry, will have to set an example of its own in the wage negotiations now approaching their climax in Stuttgart for 2.2m. public service employees.

The negotiations, said by both sides to have reached a decisive phase to-day, are being conducted by a committee of federal, state and local government officials headed by Herr Werner Maihofer, the Bonn Interior Minister.

It has offered 3.7 per cent., compared to claims for 7.5 per cent. and 6.5 per cent. by the two main unions involved. Particular attention is being paid to the unions' demands for additional holiday, with the employers arguing that each day represents an additional 0.4 per cent. on the wage bill.

While it was not yet clear to-day how much flexibility is being shown on either side, both have already declared that in the event of deadlock, they will not resort to the customary arbitration procedure. The union has announced that it will hold a strike ballot.

Work in the metalworking and engineering industry resumed to-day in North Wuerttemberg-North Baden, amid strong indications that the pay settlement which ended the three and a half week strike in the region is going to become the national norm for the industry.

During most of last week, employers' federations in other parts of West Germany were publicly attacking as too expensive the 5 per cent. wage increase, plus a DM411 lump sum, accompanied by pay-category guarantees, that ended the strike and lockout of some 240,000 workers in North Wuerttemberg-North Baden.

In practice, negotiations over the week-end have led to the 5 per cent. pay rise being adopted in four other bargaining regions. In two more, including North Rhine-Westphalia, which is the largest, similar terms are regarded as only a matter of time. The employers have, however, apparently held the line in refusing to extend to other regions the job security and wage grade protection clauses, while there are also minor differences in the size of the lump sum payment.

With the general adoption of 5 per cent. in the sector over the week-end, West German Ministers have broken their silence on the Stuttgart settlement reached a week ago. Count Otto Lambsdorff, the Economics Minister, said the 5 per cent. increase was "still just acceptable," but he warned that it must not be allowed to set the pace for other industries.

Count Lambsdorff has also annoyed the union establishment, and its friends in the Social Democratic Party, with his defence of the lock-out tactics used both in the North Wuerttemberg — North Baden metal industry dispute and by the printing industry employers a few weeks earlier. Over the week-end, he once again insisted that his defence of the employers' legal right to resort to the lock-out was the view of the entire Bonn Cabinet, and not merely of his own party, the Free Democrats.

Lambsdorff calms loans worries

FRANKFURT, April 10.

THE FEAR that the private banking sector is taking on excessive risks through lending to developing countries is unjustified, Count Otto Lambsdorff, the West German Economics Minister, said to-day. The trend towards a diversification of borrowers will reduce the risk of a chain reaction should one country default on its loans, he said.

Long-term lending by industrialised countries to developing nations was both normal and desirable, the Minister said, adding, however, that such funds must go toward development which increases the recipient's economic potential. Lending countries must also keep their own markets open for exports from borrowing countries, even when this may endanger home industries.

Count Lambsdorff said that developing countries have generally shown themselves to be good borrowers.

He said that while there has been a general trend towards reduction of balance of payments deficits, the large U.S. trade and current account shortfall remains the central economic problem of 1978, and is tied to the undervalued dollar.

Sounding a note of concern about the strong rise of foreign lending by Luxembourg subsidiaries of West German banks, he said that such lending continued to expand in the first quarter of 1978. While this eases upward pressure on the Mark in the short-term, he warned that it could pose a danger to the entire West German banking system if one foreign branch were to become over-exposed.

The 21 Luxembourg units of West German banks comprised 5 per cent. of the total business volume of the West German banking system in 1977, Count Lambsdorff noted. The issue of whether to tighten control over these units has been a point of contention between Bonn and the private banking sector for some time.

These branches must be equipped with adequate capital, he said, and the issue of minimum reserve requirements in Luxembourg must be handled with the "greatest possible caution."

Regarding the West German domestic capital market, Count Lambsdorff said he expected its fundamentally positive outlook to continue during this year. The planned DM65bn. public sector borrowing requirement in 1978 should not create any strain.

It was regrettable, however, that the trend towards longer maturities and lower yields reflected sluggish demand for capital rather than genuinely healthy economy.

AP-DJ

No crisis in relations with U.S.

BY JONATHAN CARR BONN, April 10.

WITH THE visit to Bonn by the Soviet President, Mr. Leonid Brezhnev, now less than a month away, the West German Government is seeking to avoid any suggestion of a crisis in its relations with the U.S.

In a week-end interview the Foreign Minister, Herr Hans Dietrich Genscher, insisted that despite some differences, basic ties between Bonn and Washington remained sound and friendly.

Much of the West German Press however took a different view to-day, suggesting that relations have reached a new low in the wake of President Jimmy Carter's deferment of a decision to produce the neutron bomb. Contributory factors are said to be the dollar's fall and problems over U.S. enriched uranium shipments to Europe.

Both German and U.S. officials here suggest that in fact both sides are closer on both the currency and uranium issues than they are generally claimed to be.

But it is agreed that the neutron bomb decision (or lack of one) has not increased West Germany's prospects of fruitful talks with Mr. Brezhnev here at the start of May. On these talks hang hopes of an improvement in East-West German ties, including perhaps a meeting between Chancellor Helmit Schmidt and the East German leader, Herr Erich Honecker.

Mr. Brezhnev wrote a particularly strong letter to Herr Schmidt some months ago warning against German support for the neutron weapon. The Soviet Union has recently made it clear once more that the Bonn attitude to the weapon will have a strong bearing on Mr. Brezhnev's talks in the West German capital.

While in favour of the bomb as a bargaining counter with the East, the West Germans have long publicly emphasised that a decision on production lay solely with President Carter. The production itself, therefore, need not be a matter of dispute between Bonn and Moscow.

But concern at the U.S. might actually refuse production forced Bonn over the last week to show more of its hand than it would have liked before the Brezhnev visit.

Further, the way in which Mr. Carter appeared to vacillate on the issue increased public reports of Bonn-Washington discord. And that too is seen as unhelpful to the West German position on the eve of the talks with the Soviet Union.

Cool reception for Husak

BY OUR OWN CORRESPONDENT BONN, April 10.

MR. GUSTAV HUSAK, the Czechoslovak President and party leader, was given a cool reception when he arrived here for an official visit to-day—the first by any Czechoslovak head of state to West Germany since 1918, and the first paid by Mr. Husak himself to the West.

Prague is apparently hoping mainly for positive results on the trade front. The country is already third most important among West Germany's trading partners in Eastern Europe.

On the West German side, however, feelings are running high on the human rights issue. President Walter Scheel, in his speech at a state banquet for Mr. Husak this evening, said it was understandable that the German public should follow not only governmental relations "but also the development of the conditions of ordinary people in neighbouring countries."

Bonn, which hopes only for some improvement in the climate of relations, will also raise the long-standing irritant of exit visas for ethnic Germans, agreed to in principle by the Czechoslovaks when the two countries signed a treaty calling for closer relations in 1973, yet never honoured in substance.

In public opinion terms, however, Bonn has been forced somewhat on to the defensive, and was accused to-day by opposition deputies of "bad taste" and lack of instinct for inviting Mr. Husak at all in the tenth anniversary year of the Russian invasion of Prague which brought him to power.

Moro's captors reject idea of secret deal

BY OUR OWN CORRESPONDENT ROME, April

AS THE ITALIAN authorities maintained silence on the latest developments in the kidnapping of Sig. Aldo Moro, the ultra-left Red Brigade terrorists who claim to hold the former Christian Democrat Premier said no secret negotiations would take place for his release.

In copies of "Communique number 5" found in Rome, Milan and Turin to-night, the terrorists claimed that Sig. Moro was undergoing trial and said they rejected any possible secret deal with the Government to free him. The communique, like all previous messages from the terrorists, attacks the ruling Christian Democrat Party, the Communists and multi-nationals.

The Government and the country's political parties, including the Communists, have repeatedly stated that they will not surrender to terrorist blackmail.

A further message purported to have been written by Sig. Moro was also found containing what appeared to be an appeal to the Governmentand to his own party to negotiate openly with the terrorists. There were no firm indications in the terrorists' fifth communique nor in Sig. Moro's letter of effective terms for his release.

The immediate reaction here was that if Sig. Moro, who was kidnapped 25 days ago, had written the letter he had done so under extreme physical and psychological duress.

Earlier to-day, the Rom curator, Sig. Giovanni de confirmed the existence message purported to be by Sig. Moro to his wife, was found by security over the week-end. The tents have not been dis and the frenzy of top leve sultation, which came aft discovery, has led to spec in the Press that the Moro is about to enter a crucial

SPLIT THREATENS ITALIAN UNION MOVEMENT

Toeing the political party line

BY PAUL BETTS, ROME, APRIL 10

THE LEADERS of Italy's three main union confederations will attempt this week to avert the threat of a split in the labour movement. This follows an open row, in part indirectly generated by the kidnapping of former Premier Aldo Moro, between Sig. Luigi Macario, the secretary-general of the Christian Democrat-inspired CISL confederation, and Sig. Luciano Lama, leader of the larger and Communist-dominated CGIL confederation.

Sig. Macario at the weekend acused Sig. Lama, himself a former Communist deputy, of attempting to steal the public limelight by speaking on behalf of the labour movement as a whole before the CISL, the CGIL and the smaller UIL confederations had effectively formulated a joint policy. In a newspaper interview, Sig. Lama spoke unambiguously about terrorism, urging the rank-and-file to oust all extremist elements from the official labour movement. He condemned firmly union members who, while rejecting the ultra-Left Red Brigade group, which claims to hold Sig. Moro, advocate setting up "a new state in Italy."

In effect, Sig. Macario claimed that the Communist union leader should have consulted the other confederations before making a formal statement on such a controversial issue on behalf of the whole union movement. In practice, however, it is not so much a personality clash as the latest episode in a protracted struggle which lately has severely tested the fragile unity of the official labour movement.

It is not the first time that Sig. Lama has been attacked by other union leaders. In January, when he first advocated a more moderate and realistic approach to wage negotiations, he was angrily criticised by Sig. Giorgio Benvenuto, the Socialist secretary-general of the UIL. He accused Sig. Lama of putting his party before the aims and demands of union members. It was not generally considered a coincidence that Sig. Lama should call for a radical change in union policies at the very time that the Communist Party was seeking a direct participation in government for the first time in 30 years.

Now, with the Communists directly supporting the new minority Government, the kidnapping of Sig. Moro and the possible threat to the Communists from elements on the extreme left of their own party, Christian Democrat union members claim that it was perhaps not surprising that Sig. Lama should take a formal stand against the ultra-Left.

At a time of growing political violence, student unrest and mounting unemployment, the union Leadership is under increasing pressure. The movement faces a painful dilemma following the problems and contradictions brought on by the country's economic and social crisis. Sig. Lama's controversial proposals in January for moderate wage claims, the acceptance of the principle of labour mobility and the need to reduce the overall costs of labour, have yet to be fully accepted by a confused and disgruntled rank-and-file. Although the union leadership apparently recognises that, with the recession, the country has effectively reached the end of the economic road, the membership, which made enormous gains in the last ten years, is seemingly reluctant to see them eroded by continuing inflation.

At the same time, the movement has tended generally to fight almost exclusively for the interests of its signed-up members. In so doing it has alienated the great mass of jobless young people who account for about 70 per cent. of the total unemployed. When Sig. Lama addressed students at Rome University last year the rally degenerated into a riot.

Italian unions have gained the political status that goes with being called the country's "seventh political party." When the mechanical workers came out on to the streets of Rome in December, the event was given unprecedented live coverage on television and forced the Communist Party to demand openly a greater voice in power. Subsequently, when a political agreement was reached after nearly two months of intense ne tions, Sig. Giulio Andreott Prime Minister, consulte unions on his new Govern programme.

The question now is wh the union movement ha strength to exert autonom its recently acquired power leaders claim it is an ind dent force representing the ing classes, yet, so far, it h ways been deeply tied t various political parties.

The current row betweer union leaders is an expressi this party dominance of labour movement. By atta Sig. Lama, Sig Macario ma trying to undermine the ing power and influence o Communist confederation. he may also be looking tow the May regional elections seeking to appease his men on the right of the Christian Democrat Party fo ing the recent agreement the Communists, which month ended Italy's 54 government crisis. Sig. La position may be eq dictated by party considerat

The union leadership is du meet later this week and indicated it intends to res the threat to its unity. B already looks like being onl temporary compromise at delicate moment for the cour Much will depend on the poli developments in the wake of Moro's kidnap and the econ aspects of the country's crisi

Central banks' concern on dollar

BY DAVID WHITE BASLE, April 10.

THE POOR health of the dollar and the possibilities for a wider European monetary bloc was examined by central bankers from the top industrialised nations meeting here to-day.

The bankers' discussions, held under the auspices of the Bank for International Settlements (BIS), come after the Copenhagen summit at which EEC heads of government agreed in principle that the community's free-floating currencies—the pound, the lira and the French franc—and the remaining interlinked "snake" currencies should be brought into line.

Some bankers were enthusiastic about the possibilities of a system which had the European unit of account as its reference base, as a counter-balance to the dollar, in which confidence has been undermined. The system would allow for other countries outside the EEC to associate themselves in a loose monetary union.

But the bankers appeared to have made no steps towards more concrete proposals, and some clearly regarded the summit proposal as at best long-term or at worst pie-in-the-sky.

The weakness of the dollar, despite its recovery on foreign exchange markets last week, remained the bankers' underlying concern. The trading partners of the U.S. continue to press for renewed intervention by U.S. authorities to underpin the dollar.

Along with other problems, the dollar's decline has presented central banks with the problem of losses on their foreign exchange holdings.

The bankers were, however, holding fire in anticipation of President Carter's speech, announced for to-morrow, in which he is expected to deal with the dollar situation as well as with the U.S. energy programme and inflation.

Baron Charles Brac

Kidnapped baron found dea

ANTWERP, April

BARON Charles-Victor Br the Belgian millionaire busi man whose body was found to-day on a village rubbish d near Antwerp, died of inj inflicted during his kidnap nearly five weeks ago, the Pu Prosecutor said.

Mr. Julien van Hoeylandt a news conference that autopsy carried out on the ba showed he had died violently. body was in an advanced s of decomposition.

The Prosecutor would specify how the baron died said the authorities believed was killed while being sei

The discovery of the 63-ye old baron's body followed a te phone call yesterday to his s Theo, from one of his kidnappe

Reuter.

Oslo warning on oil-spill dangers

BY FAY GJESTER OSLO, April 10.

THERE IS "some likelihood" of another serious offshore accident like last year's blow-out on Platform Bravo in the Ekofisk Field, the Norwegian Government announced in a White Paper on the event published at the week-end. Moreover, it states, recent research has indicated that offshore mishaps could lead to far bigger oil spills than experts believed possible.

The accident provided both the operating companies and the authorities with valuable experience and much has been done since to improve safety routines and stockpile clean-up equipment. In the event of a major spill, however, the gear and methods now available would be able only to limit the damage, not to prevent it entirely, the White Paper said.

Weather conditions are a key factor. In the waters south of the 62nd Parallel, existing mechanical equipment would be able to function only between 55 and 75 per cent. of the time in summer, and from 35 to 55 per cent. of the time in winter.

The White Paper also reviewed efforts to co-ordinate emergency planning among the countries around the North Sea, and revealed that a British-Norwegian co-operation agreement is expected this year. It adds, however, that the value of U.K.-Norwegian co-operation is diminished by the fact that the British intend to rely primarily on chemicals to disperse spills, while Norway prefers containment and collection by mechanical means.

The Bravo White Paper which has taken almost a year to produce, is a key step on the way to opening waters north of the 62nd Parallel to oil and gas exploration.

Meanwhile, Norway's Oil and Energy Ministry to-day invited oil company applications for 15 new North Sea blocks, under the country's fourth licensing round, recently approved by Parliament. Applicants must be companies registered in Norway, and deadlines for seeking the licences is July 1.

Seven of the 15 blocks will be allocated during the autumn, the Ministry announced. Licences for the others will be awarded later, when the results of drilling on the first batch are known.

Swiss bank secrecy plan

BY JOHN WICKS ZURICH, April 10.

THE INSTITUTION of banking secrecy should be abolished in cases where it is used to dupe domestic and foreign authorities. This is urged in a referendum campaign to be launched by the Swiss Social Democratic Party.

The proposals, to be announced in detail at the party's congress in Basle next month, do not foresee the scrapping of the basic principle of banking secrecy. The Social Democrats feel, however, that there should be a statutory obligation for banks, trustee and finance companies to disclose information to authorities and to courts in connection with fiscal and criminal proceedings.

This is seen as necessary to halt the use of banking secrecy in tax avoidance and white-collar crimes. At present, the banking secrecy rules may be lifted only in the case of common-law crime and not for non-criminal tax avoidance.

The referendum would also call for the Government to include tax and currency offences in legal-aid agreements with other countries in order to counter the influx of "dirty money" from abroad.

The motion would also include a bid to introduce a statutory obligation on the part of banks to guarantee repayment of savings in case of a bank failure and for the publication of more details in bank reporting. The details called for would include facts on non-bank participations by the banks, directorates held by bank officers and the use of proxy votes by banks at company meetings. Parliament would also have to hold an annual debate on operations of the Swiss banking network.

Catalan Communists rift

BY OUR OWN CORRESPONDENT BARCELONA, April 10.

A RIFT HAS developed in the Catalan Communist Party (PSUC) between the Eurocommunists and the traditional Marxist-Leninists.

Six central committee members resigned after a full delegate conference refused to ratify the statutes of the Spanish Communist Party, loyal to Sr. Santiago Carrillo, the Party's secretary general.

The central committee of the Catalan Communist Party, the largest and most independent of the regional parties, to-day formed a new executive committee to hide its divisions.

The Catalan Party has around 70,000 members and eight of the Communist Party's 21 parliamentary deputies.

Similar dissension has been found on a national level and there is widespread doubt about the ability of Sr. Carrillo to hold his party together.

EUROPEAN NEWS

BIS grants loans to Portugal and Turkey

BY JOHN WICKS

ZURICH, April 10.

THE BANK for International Settlements (BIS) in Basle last year granted loans to Portugal and Turkey, according to a statement in the annual report of the Swiss National Bank. The loans, designated as foreign currency aids, are backed by central banks.

While the total value of the loans is not disclosed, the Swiss National Bank reports that it has a share of $50m. in re-financing guarantees granted by central banks on a loan made to Portugal against gold collateral. This loan is probably that mentioned briefly in the 1977 Bundesbank report as one of the multilateral loans to Portugal in which West Germany participated.

At the end of 1976, Switzerland had a total of slightly over $50m. on loan to Portugal. In February and June of last year further sums of $55m. and $25m. were granted to Portugal under bilateral arrangements, while in November Switzerland took over a refinancing guarantee of $30m. as part of a multilateral measure. This means that, together with its share of the BIS loan, Switzerland had a total of $160m. on loan to Portugal at the end of 1977.

The National Bank also took over a re-financing guarantee on $25m. of a BIS loan to Turkey. After a partial repayment of this loan, the guarantee was reduced to $15m. by the end of last year.

In a first detailed breakdown of its currency reserves, the National Bank discloses in the 1977 report that Sw.Frs.15.9bn. of Switzerland's end-of-year foreign currency holdings of Sw.Frs.20.5bn. were accounted for by U.S. Government paper in dollar denominations and other dollar assets in the U.S. A further Sw.Frs.888m. took the form of dollar deposits with foreign monetary authorities on the Euro-market, Sw.Frs.936.9m. were made up of Special Drawing Rights (SDRs) and Sw.Frs.267.6m. were accounted for by holdings in nondollar foreign currencies. The remaining Sw.Frs.2.51bn. resulted from U.S. dollars taken over on a swap basis from Swiss commercial banks.

The National Bank had to fall back on reserves to retain its previous year's net profit level of Sw.Frs.7.51m. This was necessary due to the "marked deterioration" of profitability in connection with the fall in the dollar value.

In its remarks in Swiss economic development, the Bank puts last year's surplus on current account at some Sw.Frs.8.5bn., compared with the record Sw.Frs.8.7bn. booked in 1976. The country's Commission for Economic Studies had recently said that the 1977 surplus would be at about the previous year's record level

● A World Bank delegation, led by bank president Robert McNamara, to-day began a visit to Turkey in connection with loans Turkey has asked for, AP-DJ reports

Co-ordinating U.K. aims in the EEC

FINANCIAL TIMES REPORTER

THE IMPORTANCE of British interests making their views fully known on proposed directives to harmonise law in the European Economic Community was stressed yesterday by Mr. Philip Brown, Deputy Secretary in the Department of Trade. He was addressing the Financial Times conference in London on Business and the European Community Directors, chaired by Mr. Tom Watts, a partner in Price Waterhouse and chairman designate of the Accounting Standards Committee.

Mr. Brown said we were now involved in a new constitutional system as the directives were worked out in Brussels and it was necessary that British bodies making representations should let Whitehall know their opinions and what they were saying. "This is a recipe for more work, and more expense, by British representative bodies; but it was made necessary by our having moved into a more complicated constitutional world. The time now devoted to Community matters within Whitehall is immense, but it cannot be as effective as it might be unless the private interests concerned seek to match and support it."

Mr. Brown also said: "Whatever British representational bodies say and do in Brussels or in other member states, they should let the British Government know, just as we do our best, to let the domestic interests know what is happening. It can only be disastrous if British officials are saying one thing in a Working Party while the Commission or other member states are getting a different message from other British sources."

Mr. Brown traced the process by which the draft EEC directive evolved and noted the stages reached on various directives, including the major fourth directive on the annual accounts of limited liability companies.

The Treaty of Rome, in Article 54. 3 (g), the basis for the harmonisation activity, left the initiative to the Commission to make proposals for "co-ordinating to the necessary extent and rendering of equal value the guarantees which member states require of companies." The process usually involves the Commission identifying what it considers a relevant area—say the contents of a prospectus.

In a case where a foreign prospectus could not be reliably understood the Commission, after some research, would appoint an expert to make proposals for a directive and the proposals would be sent to member states, a Commission working party being set up to examine them. Mr. Brown then discussed the stages by which the draft directives were considered between the Commission and the individual countries, gradually assuming firmer shape after representations by various interests involved. He also reviewed the way in which final conclusions were reached.

Remarking that a clear look should be taken at the method of selecting and achieving future objectives he suggested three areas for special examination. The first was the subject of the selection of directives. Sometimes Britain felt that it would be better to let the Common Market develop further before attempting harmonisation in a particular field but this pragmatic approach was not necessarily the same as the more intellectual one favoured in some other member countries.

There was scope for further thought too about the processes for evolving directives. "We are used in this country to undertake a wide programme of consultation before formulating policy on matters of company law and we have not found that the theoretic approach normally adopted in Brussels, combined with the automotive power of the Commission, necessarily produces the most practicable form of draft." Less detailed drafts might also on occasion be preferable.

FINANCIAL TIMES

Business and the European Community Directives

CONFERENCE

Mr. Tom Watts traced the history of the Fourth Directive on company accounts from 1969 and noted the changes, after Britain, Ireland and Denmark had joined the Community in 1973, to introduce the requirement for a true and fair view to be given in accounts. The directive was not yet in final form and Mr. Watts commented that one main difficulty was German objection to the principle of inflation accounting.

If, as seemed likely, the directive was adopted in 1978, legislation on it could be expected by 1980, with 1982 the probable date for its introduction. However, Mr. Watts thought that, in view of the inflation accounting problem, if the directive had not been adopted by the time Germany assumed its six months presidency in mid-1978, the passing of the directive might be deferred until 1979.

Mr. P. J. Rutteman, a partner in Arthur Young McClelland Moores discussed the proposed seventh directive on consolidated accounts. He pointed out that the Commission had adopted as the basis for this directive the German principle of a group as an aggregation of legally autonomous entities under a central and unified management as a single economic unit.

Mr. Stanley Clinton Davis, Under-Secretary for Trade, said that what Britain had sought to achieve during five years of negotiations had been greater flexibility in the draft directives.

"This flexibility is necessary first, to accommodate our differing legal and administrative structures, and, secondly, to enable, as far as possible, the law to adapt to new developments and changing circumstances, after directives had been adopted.

Mr. Martin Gibbs, a partner in Phillips and Drew, the stockbrokers, told the conference that in his opinion the fourth directive in its present watered-down form, was "now a paper tiger, containing very little that should worry investors in U.K. companies." Investment analysts would gain a good deal of valuable extra information, including a more detailed analysis of costs while the standardised layouts and definitions should facilitate inter-company comparisons.

Narrowing option for Lisbon

By Our Own Correspondent

LISBON, April 10.

PORTUGAL'S Finance Minister, Dr. Victor Constancio, to-day came close to admitting that there was no short-term alternative to acceptance of stringent International Monetary Fund conditions for the country's economy.

The Portuguese Confederation of Industry, meanwhile, stressed that the immediate future of the country would be determined far more by the IMF's austerity conditions than by the Government's recently announced economic programme or by its budget proposals which are being debated.

Dr. Constancio said no-one questioned the need to reduce Portugal's $1.4bn. balance of payments deficit nor the necessity of following a financial policy of austerity.

"What we are disputing, in our talks with the IMF, is the severity of the stabilisation demanded and the degree to which certain economic techniques are to be implemented," he said.

He was referring to what is believed to be the principal sticking point between Portugal and the IMF—a demand that the bank lending rate be raised from 13 to 20 per cent.

Dr. Constancio's remarks indicated little optimism over the chances for rejecting the IMF conditions which will open the way for $800m. of Western-backed aid.

The Confederation of Industry, which represents 36,000 private companies, said at a Press conference that the Government's budget proposals would worsen inflation and unemployment.

Ecevit's 100 days

BY METIN MUNIR, ANKARA CORRESPONDENT

MR. BULENT ECEVIT, the Turkish Prime Minister, completed 100 days in power yesterday during which he has restored a measure of international confidence in Turkey. It had all but disappeared under his predecessor, Mr. Suleyman Demirel.

Indeed, it would not be an exaggeration to say that Mr. Ecevit's Left-of-Centre administration is the first stable one which Turkey has had since 1971 when Mr. Demirel was overthrown by the generals.

Mr. Demirel himself is not too impressed with Mr. Ecevit's performance, saying that all the 52-year-old Prime Minister has given the country is "poverty and pain." But a fairer evaluation would be that although he has performed no miracles, he has taken many steps in the right direction to treat Turkey's chronic economic, social and foreign policy problems.

The problems which Mr. Ecevit inherited were formidable. In 1977, for the second consecutive year, political violence disrupted social life and it continues to be a major element of unrest. The economy was on the verge of insolvency, with the trade deficit in 1977 surpassing the $4,000m. mark, unemployment reaching 20 per cent. and inflation a shattering 50 per cent. In foreign affairs, the Cyprus problem continued to hang like a dark cloud and Turkey's relations with Greece, the U.S. and the EEC were in a mess.

Mr. Ecevit has not yet solved any of these problems. But while not even Mr. Demirel's most ardent supporters sincerely believed that his "Nationalist Front" coalition could tackle these ills, there is general optimism both at home and abroad that Mr. Ecevit may succeed.

The Social Democrat Mr. Ecevit has taken measures to stabilise the economy, crowned with a letter of intent signed with the IMF last month to enter into a standby agreement for a loan of $450m. Virtually all of the classic belt-tightening measures have been adopted, including a 30 per cent. devaluation of the Turkish lira and stringent measures to curb consumer demand.

In a few days, the Turkish Central Bank and six major international banks, including Barclay's, will meet in Ankara to restructure the massive $2,200m. debt Turkey owes to some 230 foreign banks and to seek fresh money. The OECD's Aid to Turkey Consortium is being reactivated and there are many state-to-state contacts as well. Notable among these have been talks with Libya which has reportedly resulted in a $450m. oil credit facility over five years.

Turkish Prime Minister Bulent Ecevit is to pay an official visit to West Germany on May 10-12 for talks with Chancellor Helmut Schmidt, writes Metin Munir. Next Thursday, Mr. Ecevit leaves for an official trip to Yugoslavia.

Mr. Ecevit's economic performance will be crucial, determining not only the fate of his administration but, as some observers believe, that of Turkish democracy as well.

Mr. Ecevit has been trying to sweeten the bitter pill of his austerity measures by trying to gain victories abroad and here he can be said to have been more successful.

His dialogue with Mr. Constantine Karamanlis, the Greek Prime Minister, although not achieving substantial results, has dispersed some of the tension between Turkey and Greece. Next weekend diplomats from the two states meet in Ankara to prepare the ground for a second summit between their leaders.

President Jimmy Carter has moved to lift the three-year long Congressional embargo on arms supplies to Turkey. If this succeeds, it will be a major coup for Mr. Ecevit.

A more subtle change in Turkey's overall foreign policy is also in the making. This is aimed at making new friends outside the Western bloc of which Turkey has historically been a faithful follower. It is likely that the change in this field will be accompanied by one in defence, reducing Turkey's reliance on NATO and the U.S. The list of countries which Mr. Ecevit will visit includes the U.S. (for a NATO summit), the Soviet Union, West Germany and Yugoslavia.

The field in which Mr. Ecevit has been least successful is law and order. Political violence has increased and nearly 200 people have been killed since Mr. Ecevit's accession to power.

Mr. Ecevit himself has evaluated his 100 days by saying that he could not be expected to turn Turkey into a bed of roses in such a short time. He has, however, plucked many a weed and planted some flowers.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription $200.00 (air freight) $350.00 (air mail) per annum. Second class postage paid at New York, N.Y.

Malaysian businessmen call for policy shift

By Wong Sulong

KUALA LUMPUR, April 10.

THE MALAYSIAN Chinese business community, which has seen its power eroded by Government intervention in recent years, has called on the Government to review its new economic policies, and to scrap its controversial Industrial Co-ordination Act.

The call was made in a resolution passed at the first Malaysian Chinese economic conference held here yesterday. More than 1,000 of the country's most prominent Chinese businessmen and industrialists attended the conference.

The Chinese account for a third of the population of Malaysia but dominate the country's economic life. Attempts by the Malay majority to undermine the power are at the centre of communal tensions.

The conference said that while it was not opposed to the Government's new economic policy of helping the Malays in business, it noted that its implementation had sometimes been abused to cause a sense of deprivation and fear among non-Malay businessmen.

The Industrial Co-ordination Act, enacted two years ago, came under continual attack during the conference. Various speakers said it had frightened away investors.

Despite the Government's strong denial, it was obvious that the Chinese business community view the Act with distrust, and fear that it could be used to control their activities and force them to take Malay partners.

Under the Act, most manufacturing concerns must apply for a licence, and abide with certain conditions. Firms have to reapply for licences if they want to expand or change their lines of products.

The conference also called on the Government for a fairer distribution of land, business opportunities and jobs.

The conference said unemployment among the Malays had dropped from 8.1 per cent. in 1970 to 6.9 per cent. last year, while unemployment among the Chinese had risen from 7 per cent. to 7.2 per cent. Unemployment among the Malaysian Indians rose from 11 per cent. to 12.2 per cent. during the same period.

Barre must decide between Soviet line or new alignment

BY JAMES BUXTON

THE SOMALI Government appeared to be firmly in command in the capital, Mogadishu, yesterday, after defeating an Soviet Union or to move towards hours on Sunday.

However, the Government of President Siad Barre now faces the problem of dealing with the army officers and men who staged the abortive coup. The President still has to make the politically delicate decision of whether to stage a rapprochement with the Soviet Unio or to move towards a more pro-Western alignment.

The heavy guard placed on Government buildings on Sunday was removed yesterday. A Government official said that all rebel leaders were under arrest and would be brought to trial in accordance with the laws of the country.

All the Government would say about those who were behind the attempted coup was that they were young officers and troops of the Somali army. Neither their names nor their units or barracks have been released.

There has been residual opposition to the government since it came to power in 1969, based on latent tensions between north and south, on middle-class resentment of the regime's socialism, and on dislike of the repressive security apparatus.

The Ogaden defeat brought these tensions to the surface, and led to questions about whether the Somali Government was wise to go ahead with the campaign without the approval of either the Soviet Union, its long-standing ally, or the U.S.

The Army felt humiliated at its defeat, for which many officers blamed what they saw as the Government's inept diplomacy. Some appear to have suspected that the order for withdrawal was part of a secret agreement reached by President Siad Barre with the Russians through Libyan mediation.

Many officers appear to have been critical at the regime. But though they are mainly Russian trained, they seem to have been divided on the still unresolved question of whether the country ought to return to close alliance with the Soviet Union, or seek a more pro-Western stance. The Government stepped up security precautions, and is reported to have executed a number of dissenting officers and tried to prevent movement of troops from the north to the capital.

These precautions and the divisions inside the armed forces may have accounted for the small scale of Sunday's uprising—a fact which also tends to suggest that it was not organised with outside assistance.

Now the Government can be expected to use all the means at its disposal to stay in power. But its position will be precarious unless it solves its central dilemma: only the Soviet Union can offer the kind of face-saving formula that would keep intact the Government's credibility on the central issue of pan-Somali nationalism but concessions to the Soviets appear to be unpalatable to most Somalis.

CIA testimony, Page 5

Black nationalists held

BY QUENTIN PEEL

JOHANNESBURG, April 10.

THIRTY MEMBERS of the Pan African Congress, the banned South African black nationalist movement, have been detained in Swaziland and will be deported according to sources in the Swazi capital, Mbabane.

An official said to-day that action had been taken because the emigres, classified as refugees in Swaziland, were not adhering to the UN convention for refugees. If members of the PAC could show that they had abided by the convention, they would be allowed to remain.

The official said the rival African National Congress, the other major banned nationalist movement in South Africa, would allowed to stay.

Observers in Mbabane say that the PAC has been suspected of organising military training in the south of the country. There has been bitter rivalry between the PAC and ANC, and two recent bomb incidents were directed at South African nationalists.

● The Namibia National Front, a multi-racial political alliance embracing both black nationalist movements and white liberals, to-day became the first political group to back the Western proposals for an international solution in that territory.

Leaders of the organisation, which includes the South West Africa National Union and the Federal Party, presented their conclusions to Judge Marthinus Steyn, the South African Administrator General, who is collecting responses to the proposals on behalf of the South African Government.

Bangladesh election in December

By Daud Khan Majlis

DACCA, April 10.

MAJOR-General Ziaur Rahman, President of Bangladesh, declared in Dacca last night that general elections to the country's parliament will be held in December this year. The parliament was dissolved and all political activities were banned in the country in August, 1975, when Sheikh Mujib's government was overthrown and Mujib himself was assassinated. Bangladesh has since been under martial law. A group of civilian advisers help President Ziaur Rahman run the country to-day.

General Zia also announced last night that he would seek election to the office of President. He did not give a date for the presidential election but said, "if held, it should be before December." It is not yet clear what form of government Bangladesh will have—presidential or parliamentary. On this President Zia said there were different views and "issues."

The Bangladesh President has been meeting leaders of the country's licenced political parties to work out a consensus about the type of government Bangladesh should have in future. Whatever the outcome of those discussions it would mean amending the constitution. One of the presidential advisers recently hinted that the government was thinking in terms of adopting a French-type constitution under which there will be a President, a parliament with a Prime Minister and a cabinet to be appointed by the President.

Political activities were allowed in Bangladesh early last year but to-day are not allowed outdoors. Zia declared last night that open political activity would be allowed in the country "very soon."

Bhutto lawyers want more time

By Simon Henderson

ISLAMABAD, April 10.

LAWYERS acting for Pakistan's condemned former Prime Minister, Mr. Bhutto, have asked for an adjournment of his appeal against the death sentence saying they do not have time to prepare their case. They say that there are nearly a thousand more pages than expected of the record of trial proceedings and other documentation.

The Supreme Court in Rawalpindi is to meet on April 15 to consider the petition. Meanwhile the same lawyers are complaining of harassment by the military Government.

Mr. Bhutto's chief defence counsel, Mr. Yahya Baktiar, said that he was unable to see Mr. Bhutto to-day

South Africa revalues gold reserves

BY QUENTIN PEEL

JOHANNESBURG, April 10.

SOUTH AFRICA is to revalue its gold reserves from to-morrow, following the ratification of the International Monetary Fund's (IMF) new articles and the abolition of the official price of gold, Senator Owen Horwood, Minister of Finance, announced in Parliament to-day.

The move, which has been expected since early last year, will add some R1.7bn. (£1.1bn.) to the book value of the country's gold holdings by valuing them not at the old official price of $42 (R29.55) an ounce, but at a market related price.

It will also end the R100m. a year "gold premium" paid by South Africa to Mozambique, which provided much needed foreign exchange to that country.

Mr. Horwood made his announcement in Parliament to-day, saying that the substantial book profit, R1.07bn. on actual holdings, and R1.69bn. if gold involved in the reserve bank's existing swop arrangements are included, would accrue to the Government.

However, Mr. Horwood disclosed for the first time that there was an outstanding amount of more than R1.1bn. owed by the Government to the Reserve Bank in respect of losses on foreign exchange holdings, gold transactions, and forward contracts, which would absorb most of the book profits. The losses are largely attributable to devaluations and depreciation of the rand in recent years.

The Minister said that account had to be taken of a possible further loss on existing forward exchange contracts particularly in respect of foreign loans by public corporations denominated in German marks and Swiss francs.

Mr. Horwood's decision to revalue was immediately welcomed by the mining industry as a logical step after the ratification of the IMF articles.

While the only material effect within South Africa will be to ensure that the gold mines are paid the market price of gold more promptly by the Reserve Bank, instead of having to wait until the end of each month the effect on Mozambique of an end to its gold premium could be much more serious.

Under this agreement, a portion of the wages of Mozambican miners working in South Africa is remitted by the South African Government in the form of gold valued at the official price, allowing the Mozambican Government to sell it at the market price, and benefit from the resulting profit. In recent years this has amounted to some R100m. of valuable foreign exchange to that country. However in the last 12 months it is estimated that the premium has decreased substantially, because the number of Mozambican miners working in South Africa has fallen from 100,000 to about 50,000.

The premium has been effectively paid by the mines themselves, because they had to sell their gold at the official price. Foreign Affairs Department officials confirmed to-night that no alternative system had been devised to replace the gold premium.

An official said the cut-off could only compound the foreign exchange shortage in Mozambique, where the Government has appealed for international aid after floods causing damage valued at about $70m.

THE MIDDLE EAST

Lebanon plan for refugees

BY IHSAN HIJAZI

BEIRUT, April 10.

PLANS for the repatriation of about 200,000 Lebanese refugees, who fled to the north of the country to escape the Israeli invasion of the south in the middle of last month, were announced by the Government here to-day.

The return of the refugees is to begin to-morrow and will coincide with the start of the partial Israeli military withdrawal from the region. It will be supervised by a special committee set up by the Lebanese army command, the UN Interim Force in Lebanon (UNIFIL) and the International Red Cross.

Of the 200,000 refugees, an estimated 40 per cent. stayed in the port of Sidon and the rest came to Beirut.

At the beginning, they moved into empty flats in the predominantly Moslem area of west Beirut, but later the authorities transferred them to make-shift tent camps at the southern outskirts of the capital.

Since the major fighting stopped two weeks ago, about 25,000 Lebanese have returned to their villages of their own accord.

Some 60,000 Palestinians who were living in the areas attacked by the Israelis, and in three camps near the ancient port of Tyre also fled. They are the responsibility of the Palestine Liberation Organisation (PLO) and the UN Relief and Works Agency (UNRWA). The PLO has been encouraging the Palestinians to go back to their camps. It is believed that about 40,000 have returned already.

According to an International Red Cross survey, 82 villages and towns were badly damaged in the Israeli onslaught. The survey put the number of dead at 1,000, most of whom were civilians.

The massive security alert declared along Israel's southern coast last night following reports of a terrorist attack was called off early to-day. Intensive searches along a 25 kilometre coastal belt south of Tel Aviv failed to discover any signs of terrorist activity.

Meanwhile, the situation in the south-eastern suburbs of the capital was calm to-day with the exception of occasional sniping. Rival factions fought a battle with machine guns and rocket propelled grenades yesterday on the line separating the Christian quarter of Ain Rummaneh and the Moslem quarter of Shiyah. Four people were killed and several others injured before the mainly Syrian peace keeping force intervened and stopped the fighting.

David Lennon adds from Tel Aviv: Mr. Ezer Weizman, the Israeli Defence Minister, is expected to carry new instructions with him when he returns to Cairo, probably this week.

Officials in Jerusalem said that they are still awaiting confirmation from Cairo on the date of the visit which is part of the two countries' efforts to keep alive the peace intiative of President Sadat.

Though yesterday's cabinet session did not discuss the visit, it is understood that the inner cabinet had earlier worked out new guidelines for the Minister.

Mr. Weizman will point to the Israeli troop pull back in southern Lebanon which starts to-morrow as one indicator of Israel's peaceful intentions. He will explain to the Egyptian leader that total withdrawal is being delayed by the difficulty the UN is encountering in raising the necessary troops to police the area occupied by Israel last month.

Japanese ruling party helped by Kyoto win

By Douglas Ramsey

TOKYO, April 10.

JAPAN'S ruling conservative party, the Liberal Democratic Party (LDP), received a filip on Sunday in the Kyoto gubernatorial election when an LDP-backed candidate was elected to the top Kyoto job held by opposition parties for 28 years.

In a test of party strengths before other city elections—notably in Yokohama this month and Tokyo and Osaka next spring, the LDP-backed Mr. Yukio Hayashida, a conservative independent, won in the Yyoto poll. The election was held after the Communist-backed incumbent, Mr. Torazo Ninagawa, announced in January that he would not seek re-election to the job he has held for seven consecutive four-year terms. Mr. Ninagawa has had the support of most opposition parties, and Kyoto has long been considered one of the few bastions of Japan Communist Party (JCP) support. The JCP normally polls 25 per cent. of the vote in Kyoto, compared with a nation-wide average of 10 per cent. in recent years.

Mr. Hayashida's victory is being interpreted here as a further show of strength for Mr. Yohei Kono's New Liberal Club (NLC), a breakaway group of former LDP members which also supported the conservative candidate.

Standing on the Communist ticket in the Kyoto election Mr. Toshimasa Sugimura, a former professor, came in second ahead of the Socialist candidate. It is a major blow to middle-of-the-road parties in Japan which jointly backed Mr. Yoshiharu Yamada, a Socialist member of parliament, to win the governor's office. It will cause a loss of face, in particular, to the moderate wing of the Japan Socialist Party which convinced the party hierarchy in this election to align itself with other moderates rather than back the Communist

Australian Premiers meet over aborigines

By Kenneth Randall

CANBERRA, April 10.

MR MALCOLM FRASER, the Prime Minister, and the Queensland Premier, Mr. Johannes Bjelke-Petersen, will meet in Canberra to-morrow in what may be their last effort to compromise in their dispute over control of Aboriginal communities in Queensland.

Mr. Fraser said to-day that Mr. Bjelke-Petersen had sought the talks "earnestly" following the Queensland government's action on Friday in abolishing the Aboriginal Reserves at Aurukun and Mornington Island.

Election setback for Marcos Government

MANILA, April 10.

OFFICIAL RESULTS in the Philippines elections to-day showed Government support in Manila well down on previous polls, with indications that it may have lost seats in other areas, and Sr. Benigno Aquino, the detained opposition leader, claimed a moral victory.

Results of the country's first elections held under martial law showed less than 70 per cent of votes for the Government in Manila, considerably below the 90 per cent. it claimed in past polls.

Reuter

Vietnamese refugees ask for asylum

SINGAPORE, April 10.

AUSTRALIA AND the U.S. have been asked to give asylum to most of the Vietnamese who arrived here aboard a hijacked cargo ship, informed sources said to-day. They said only 13 of the 34 people aboard wanted to return to Communist Vietnam with their ship. They included the Captain.

The 558-tonne coaster VAM-C034 was seized by four crewmen at sea after setting out from the Vietnamese port of Haiphong for Ho Chi Minh City (formerly Saigon).

Reuter.

INDIA'S UNTOUCHABLES

Desai calls for an end to politics

BY CHRIS SHERWELL IN NEW DELHI

INDIA'S simmering caste problem is threatening to turn into a major national political issue. The increasing incidence of atrocities on Harijans (Untouchables) has provoked heated reaction in Parliament, and moves to reserve jobs for "backward castes" in Bihar have provoked such a violent reaction there that the ruling Janata Party in New Delhi is treating the matter as a serious priority.

The Parliamentary reaction came late last week in a lengthy Lok Sabha (Lower House) debate demanded by Harijan MPs. Angry outbursts came from all sides of the House demanding that the Government does something to end the atrocities or resign.

Mr. Morarji Desai, the Prime Minister, said the Government would resign and he would go on a hunger strike if that would help, but it would not. He called for co-operation on all sides to "finish this evil" which was "a blot on the whole of India." He also appealed for an end to politics on the issue.

Though there have been recent reports of atrocities elsewhere, the incident which undoubtedly helped most to spark last week's debate was in the troubled state of Bihar at the end of last month, when a 500-strong armed mob killed at least three people (and probably more), burned huts and looted the Harijan village of Bishrampur in the Rohtas district.

The incident has been compared with a similar one in Belchi, also in Bihar, in May last year. But its importance on this occasion was reinforced by a background of protracted agitation over the issue of job reservation for "backward castes" in state government posts.

The Janata Party government of Bihar had backed a proposal from the Chief Minister, Mr. Karpoori Thakur, setting aside 26 per cent. of government jobs for "backward castes" (Yadavas and Kurmis) who make up some 30 per cent. of the population. This was on top of the 24 per cent. reservation for "scheduled castes and tribes" (mainly Harijans and equally "untouchable" tribals), required under a 1950 national quotas policy for education and employment.

The new proposal antagonised the higher castes who felt they were being squeezed out, even though there may not be enough new jobs or educated "backward caste" people available to make much difference. Certainly it was enough of an issue of principle to provoke a violent reaction on a scale surprising even for the caste ridden and turbulent politics of India.

The proposal resulted in the disruption of road and rail traffic, the burning of buses and houses, destruction of government property, closure of schools and universities, clashes between communal groups including Harijans, and confrontations between students and police.

It helped also to provide opportunities to settle local scores and inflame caste sentiments. In the process it hamstrung the state government and split the party. Trouble also spread to neighbouring Uttar Pradesh.

The agitation, together with appeals from the father figure of Indian politics, J. P. Narayan, who lives in Bihar, appeared to have some effect, however. The criteria for reservation were first changed to include a reference to income, so that well-off individuals who stood to benefit were excluded. Mr. Thakur also announced that implementation of the policy, scheduled for April 1, would be shelved.

Modifying the criteria may have helped temporarily to draw the teeth of "Casteism" allegations, which the former prime minister, Mr. Indira Gandhi, had been quick to make in public

Canal treaty threatened after 'insult' to Panama

BY DAVID BELL WASHINGTON, April 10.

E CARTER administration, ich last week thought that it s assured of victory over the bama Canal, is now seriously icerned that the second canal aty may be defeated.

The first treaty, which laid wn defence and priority pase rights after Panama takes l control of the canal in 2000, s passed by one vote last nth but only after Senator nnis Deconcini had attached a servation to it.

The Senator's addition gave e U.S. a virtually unlimited ght to intervene to open the nal if it should be unilaterally sed by a future Panamanian vernment. The Panamanian ader, Gen. Omar Torrijos, has w made clear to Washington at the reservation amounts to an insult to Panama despite President Carter's assurance that the wording of Senator Deconcinis resolution is open to several interpretations.

It is not clear whether General Torrijos, whose Government is far from the monolithic administration that has been described by opponents of the treaty in the Senate, is prepared to renounce either or both of the treaties which have taken 14 years to negotiate. But the Panamanian opposition has certainly clouded prospects for the second treaty, which deals with the period from now to 2000.

In an interview released at the week-end, President Carter, called on Panamanians to recognise that support in the U.S. for the second treaty was pretty tenuous. In effect, he urged General Torrijos not to rock the boat.

Any statement by the Panamanians that would cause consternation or doubt in the minds of U.S. Senators could very well endanger the passage of the treaty, Mr. Carter said.

When Senator Deconcini made his vote conditional on the intervention reservation, the Carter Administration realised that the Panamanians might not like it, but the feeling was that it was best to play down the whole thing so as to get some kind of treaty through. Mr. Carter has staked so much on successful passage of the treaties that he is now a hostage to reservations of this kind and finds himself squeezed between the Panamanians and the Senate.

The Senate appears oblivious to the resentment and anger that the Deconcini reservation has caused in Panama and elsewhere. According to supporters of the treaty, a future U.S. Administration could intervene if it so wished, but there is no need to spell this out.

Later, Sen. Frank Church, a supporter of the treaty, said that daily radio broadcasts of the Senate debate on the treaty had led many Panamanians to feel that they have been "patronised, demeaned and insulted beyond the tolerable." He called for "cool heads" on all sides to avert the possible collapse of the treaty ratification process.

Ethiopia received $1bn. in Soviet arms—CIA man

BY OUR OWN CORRESPONDENT WASHINGTON, April 10.

HE SOVIET Union and Cuba ve launched an "unprecedented mpaign" to expand their inuence south of the Sahara, and e USSR has already poured ore than $1bn. worth of arms to Ethiopia, the Deputy irector of the CIA told a Conessional committee to-day.

In an unusual public session the Senate Armed Services ub-Committee on Intelligence, r. Frank Carlucci said that the est is now witnessing the most determined campaign to expand oreign influence in this troubled egion since it was carved up by e European powers in the late 9th century."

Mr. Carlucci said that Soviet quipment has been flowing into ngola and Ethiopia too quickly or either country to absorb it. thiopia has already received nore than 400 tanks, more than 0 MiG fighters and "huge uantities of armoured cars, peronnel carriers and artillery."

The Soviet military commitnent to Ethiopia was now worth nore than $1bn., and Soviet and Cuban officers were planning and o-ordinating "operations involving more than 16,000 Cuban roops," he said.

Meanwhile, in Angola, "tons of Soviet hardware litter the docks at Luanda, and Soviet or Cuban advisers are found at every level of the government. There are more Cuban soldiers in Angola than in Ethiopia—thousands of them engaged in active combat against the rebel (Unita) movement in the southern part of the country."

Elsewhere in sub-Saharan Africa, Mr. Carlucci said, Soviet equipment is being delivered to liberation movements and self-styled revolutionary groups whose forces are being trained by Russians and Cubans. "It's my view that Moscow and Havana intend to take adavantage of every such opportunity to demonstrate that those who accept their political philosophy can also count on receiving their assistance, when it is needed," he said.

Mr. Carlucci said that, among the countries in which Cuba now has advisers, are the Congo, Equatorial Guinea- Guinea-Bissau and Mozambique. He said that the Cuban presence in Mozambique, and the small Cuban team in Zambia, did not appear to have been directly involved in the guerilla war in Rhodesia, and there was also no indication of the active involvement of Soviet forces in that conflict.

The testimony to-day is a further indication of the profound unease with which the administration views the current Soviet moves in Africa.

IMF staff in salary row

BY OUR OWN CORRESPONDENT WASHINGTON, April 10.

THE OVERWHELMING majority of the staff of the International Monetary Fund has rejected an offer by the fund to increase its salaries by 3.5 per cent., or less than half the rise in the cost of living in this area in the past year.

The vote—901 against and only 98 for—comes amid great resentment among many IMF and World Bank employees at what they see as an unfair attempt by the U.S. to force both international institutions to reduce real salaries of their staff.

After a mass meeting last week, the staff held a referendum on Friday which resulted in the vote which, observers said, was unprecedented.

An IMF committee is reviewing staff salaries, but it is not due to report until November. The fund management said that any increase would be backdated, but there is a widespread feeling among many members of the staff that the committee wants to cut salaries chiefly because some U.S. Congressmen argue that World Bank and IMF staff are overpaid and do not deserve what the U.S. regards as high salaries.

The reaction of the Fund management is awaited with great interest and there are strong suggestions inside the fund that, if it is unsatisfactory, there will be a movement to call an indefinite strike, which would be the first time that such an action had occurred.

Oil and gas reserves fall

BY DAVID LASCELLES NEW YORK, April 10.

PROVEN RESERVES in the U.S. oil and gas continued to decline last year, but at a slower rate than before, which is being taken as an encouraging sign. Also, production of crude oil increased for the first time since 1972.

According to estimates prepared by the American Petroleum Institute proven recoverable reserves of crude oil amounted to 29.5bn. barrels at the end of 1977. This was 1.5bn. less than the total of a year before, but the drop had been 1.7bn. barrels the year before that.

The fall in reserves in 1977 resulted from an increase of 1.4bn. barrels in new reserves, offset by depletion of 2.9bn. barrels.

The American Gas Association estimates that at the end of last year, proven natural gas reserves amounted to 209,000bn. cubic feet, down by 7,000bn. cubic feet from 1976, compared with a drop of 8,000 cubic feet the year before. The association noted that the addition to natural gas reserves last year of 11,900bn. cubic feet was the highest since 1968.

The slowing of depletion of oil and gas is in large part due to the continuing rise in drilling activity, which was at its highest level last year since 1959. In the case of gas, producers are also being spurred to activity by the promise of higher gas prices contained in President Carter's proposed Energy Bill.

U.S. Economy Page 18.

U.S. COMPANY NEWS

General Electric profits ahead; Kennecott attacks Curtiss plan; Koppers buys stake in Cutler-Hammer—page 25

Soviet official at UN defects

UNITED NATIONS, April 10.

THE senior Soviet official in the UN secretariat, Under-Secretary-General Arkady Shevchenko, has defected, an official UN statement indicated to-day.

The statement said, "a Mr. Shevchenko has informed the Secretary-General that he is absenting himself from the office and, in this connection, mentioned differences with his Government. Efforts are now being made to clarify the matter and, for the time being, therefore, Mr. Shevchenko is considered to be on leave."

The statement continued, "The permanent mission of the USSR to the U.N., and U.S. authorities, have also been in touch with the secretary-general in this regard."

Mr. Shevchenko, 47, was appointed Under-Secretary-General for political and security council affairs in April, 1973. Before that, he was adviser to the Soviet Foreign Minister, Mr. Andrei Gromyko.

The UN mission of the U.S. referred all questions about Mr. Shevchenko's status to the State Department in Washington.

According to one unconfirmed report, Mrs. Shevchenko and their teenage daughter left New York for the USSR over the week-end. His son works for the Soviet Foreign Ministry.

Reuter

Vance signal to Moscow on SALT

BY OUR OWN CORRESPONDENT WASHINGTON, April 10.

MR. CYRUS VANCE, Secretary of State, made a strong plea to-day for continuing public support for the Strategic Arms Limitation Talks (SALT) with the Soviet Union despite what he called major differences between the two super-powers in many areas.

In a speech to U.S. newspaper editors, he said that arms control was not a sign of weakness and that the Administration was determined to maintain U.S Forces at their present level at least.

"We need not be sanguine about Soviet power or intentions, however, to recognise that, as inhabitants of the same planet who share awesome power, we have a common interest in reducing the most serious risks to our survival," he said. Mr. Vance added that there were clear limits to what could be expected from arms control, but pursued in a deliberate and measured way, it would contribute significantly to reducing the prospect of war.

Mr. Vance is among the strongest advocates of arms control within the Administration. He said he would be going to Moscow soon in an attempt to narrow differences remaining in the current Strategic Arms Limitation Talks. He made no direct reference to Soviet activities in the Horn of Africa or elsewhere and seemed intent on sending a signal to Moscow that the U.S. is still committed to the need for a reduction in strategic arms.

Mr. Vance noted that despite coolness in relations between the two countries, the Russians have agreed to talks about restrictions on anti-satellite weapons, conventional arms sales, the demilitarisation of the Indian Ocean, and are currently negotiating with the U.S. and Britain over a comprehensive test ban treaty.

He appealed to the editors to consider the difference between "a world with a SALT agreement . . . and a world without such a limit on its strategic weaponry."

It is an appeal that carries less weight than for years past because of abiding doubts about Soviet intentions.

Moscow puts off Peru payments

LIMA, April 10.

THE CHAIRMAN of the Peruvian joint chiefs of staff said on returning from a week in Moscow that 80 per cent. of the Peruvian obligations to Moscow falling due in 1978-80 will be postponed until 1981-88 under an agreement with the Soviet Union.

Gen. Pedro Richter did not disclose the amount of the delayed payments, but they were believed to total at least $60m. The debts concern the purchase of equipment, including arms.

Debt re-structuring is an important aspect of Peruvian efforts to allay the concern of the international financial community over the country's falling reserves, high inflation rate, and deficit-ridden official sector.

AP-DJ

Brazil Presidency move

BY DIANA SMITH RIO DE JANEIRO, April 10.

THE CONVENTION of Arena, the pro-Government Party in Brazil, approved at the weekend General João Baptista de Figueiredo and a former governor of the State of Minas Gerais, Sr. Aureliano Chaves, as its candidates for the presidency and vice-presidency, to take office in March, 1979.

Gen. Figueiredo, who joined Arena last week, is currently head of the intelligence service, SNI. He was chosen by the President, Gen. Ernesto Geisel, to succeed and is almost certain to be elected by an electoral college this year.

Gen. Figueiredo has talked frequently to the Press recently—an unprecedented gesture for a military president-designate. Thus, Arena and the public have learned that he considers that liberalism is dead.

Nevertheless, he insists, the time is ripe for gradual progress towards greater democracy in Brazil although, he says: "Not too fast so that no-one gets crumpled."

In the economic domain, Gen. Figueiredo insisted to the convention: "It is the government's untransferable function to direct the economy . . . It is also up to the government to make pioneer investments until such time as they attract private enterprise.

"But these should be transferred to private enterprise when this is prepared to take them on. The government must also regulate access, application and return of outside capital—this being essential to a developing country—but this must be compatible with the strengthening of national capital," he said.

Senate passes farm Bill

By Our Own Correspondent WASHINGTON, April 10.

THE U.S. Senate to-day passed a multi-billion dollar emergency farm Bill, which President Carter has already promised to veto if the House also passes it, as expected, on Wednesday.

The Bill, sponsored by Sen. Herman Talmadge in an effort to respond to pressure from the farm lobby for higher prices, was approved by 49 votes to 41, indicating that there are probably not enough votes in the Chamber to override the veto.

Mr. Carter has called the Bill grossly inflationary. It is estimated that it would raise Government agricultural support costs by $5bn., add $100 to the average family food bill, and injure cattle producers by pushing up their feed costs.

Tough issues tackled at MTN talks in Geneva

BY DAVID EGLI — GENEVA, April 10.

KEY TRADE officials representing leading participants in the Tokyo round met here to-day to provide further impetus to the multilateral trade negotiations, which have reached a critical phase.

The meetings were described by Mr. Robert Strauss, the U.S. special trade representative, as "a hard series of work sessions to keep the momentum going and to eliminate any political hesitations for our negotiating teams to continue full steam ahead."

American sources added further that tough issues were tackled and dealt with "forthrightly."

It is understood that to-day's main discussions covered subsidies and countervailing duties, agriculture, tariffs, safeguards, draft codes on non-tariff measures and relations between developed and developing countries.

The meetings involved the European Commission vice-president, Mr. Wilhelm Haferkamp, the Japanese Minister for External Economic Affairs, Mr. Nobuhiko Ushiba, the Australian special trade representative, Mr. Alan Garland, and Canada's Tokyo round co-ordinator Mr. Jake Warren.

They took stock of progress in the past three months and will report back to their Governments. Expressing satisfaction, Mr. Strauss said he anticipated that delegations in Geneva would be receiving instructions from their Governments in the near future on all topics under consideration.

In a prepared statement for the press, the American trade representative emphasised two points that had emerged from the discussions: that delegations were doing well vis-à-vis the almost impossible deadline they have set for themselves, and that no aspect of the negotiations was doomed to failure.

An earlier top-level meeting set July 15 as the date by which the main outlines of the Tokyo round package were to be drawn up and, throughout the years of negotiation, it has always been emphasised that the final agreement must include trade liberalisation in agriculture and in the non-tariff barriers area as well as tariff reductions for industrial goods that were the main feature of the previous Kennedy round.

In addition to the meetings between the leading delegations, discussions were also held with a number of representatives of developing countries. Mr. Alonzo McDonald, who heads the U.S. negotiating team in Geneva, said he was encouraged by the results.

EEC monitors shoe imports

BY DAVID BUCHAN — BRUSSELS, April 10.

THE EEC Commission announced to-day a system of automatic import licensing from May 1 for all shoes coming into the Community from 11 chief supplying countries. The aim is to get a speedier and fuller picture of market developments before the Commission takes any other steps to help the European footwear industry.

The licences are not intended by themselves to stem imports from the 11 countries, which include the three big Far East producers, Taiwan, Hong Kong and South Korea, and three in Eastern Europe, Czechoslovakia, Romania and Poland, and must be granted by national custom offices within five days of an importer's applications.

The system will last only until October 1, when it will be replaced by a more flexible procedure, not involving licences, that the Brussels customs service is developing to monitor textile imports coming in under the multi-fibre arrangement.

The temporary nature of the licences is understood to have soothed fears by W. Germany in general, and EEC External Affairs Commissioner Herr Wilhelm Haferkamp in particular, that the licences foreshadow a move towards full protectionism for yet another EEC sector.

The licensing follows the Commission's warning last month to Hong Kong, South Korea and Taiwan about the high levels of their imports. South Korean shoe imports increased between 1975 and last year from 12m. to 30m. pairs, Taiwanese imports from 25m. to 62m. pairs, and Hong Kong imports from 26m. to 48m. pairs.

EEC officials say the import difficulties are compounded by recent restrictions imposed by the U.S., Canada and Australia that have not only reduced EEC shoe exports but also threaten to divert Far Eastern shoes to Europe.

Those restrictions have shut out an estimated 60m. pairs of Far Eastern shoes from the markets, and the thrust of the EEC warning to Taiwan, Hong Kong and South Korea was that they should not attempt to unload the "overhang" on to the European market.

Mission to USSR

Russian demand for capital goods and industrial equipment will be investigated by a 17-man United Kingdom trade mission that leaves next week-end, Our Midlands Staff writes. Companies represented include Chubb Fire Security, GKN, Corning, IMI, Simon Engineering, Dudley, Wickman Machine Tools and Lucas East West.

Japanese plan launch of TV data system

BY CHARLES SMITH — TOKYO, April 10.

AN ELECTRONIC information system linking television sets in subscribers' homes with a central computer through ordinary telephone lines is to be launched in Japan on an experimental basis next year.

The system, known as Captains (character, pattern and information network system), resembles the British Post Office's Viewdata system with the difference that it will be able to transmit up to 3,000 Chinese characters in place of the 26 letters of the alphabet required for the British system.

In order to make this possible the Japanese system will use a central character generator in place of the individual character generators located in subscribers homes. The system will have a 64 kilobit frame memory compared with the eight kilobit memory to be used for Viewdata.

The Japanese Ministry of Posts and Telecommunications started working on Captains last autumn after five years of experimentation with visual information systems at Tama New Town outside Tokyo. The trials at Tama, where various different systems were relayed to local residents, convinced the post office that earlier systems based on an eight kilobit frame memory were not sophisticated enough to meet the needs of Japanese city dwellers. Captains is to be tried out over a one year period on 1,000 subscribers starting from August next year. If the system is well received it will be made generally available after that.

The Post Office expects to spend around Y1.1bn. ($4.5m.) on the hardware required to launch the Captains system. Orders will be placed from next August onwards with some or all of the eight major Japanese electrical companies capable of producing such equipment. The cost of software for the system will be much higher but the burden will probably be shared with newspaper and broadcasting networks as well as commercial advertisers. The initial charge for an adaptor which will link ordinary TV sets into the system should be around Y.100,000 (£227).

The Captains system is expected to produce a better picture than the systems tried out at Tama which are based on coaxial cable. It should also be able to dispense a much greater variety of information, although the Post Office has yet to decide what kind of information to make available. Initial plans call for the inclusion of weather forecasts, news and sports bulletins, cooking programmes and guides to school enrolment.

● The British Post Office recently announced an investment of £100m. over the next eight years on Viewdata, writes John Lloyd. The system is expected to come into widespread use in the early part of next year.

The cost of a Viewdata colour set will initially be around £700, and that of a black and white set, between £300-£400. The cost of adapting a colour set will be around £100 and £50 for a black and white set.

Saab may share in U.K. airliner

BY WILLIAM DULLFORCE — *STOCKHOLM*, April 10.

SAAB-SCANIA, the Swedish truck, car and aircraft manufacturer, has applied for a Kr.165m. ($36.6m.) state loan to enable it to participate in building British Aerospace's new HS146 airliner. The Swedish concern hopes to supply parts including stabilisers, ailerons, elevators and roll spoilers. The total order might be worth Kr.600m.

In its loan application, Saab-Scania guarantees full repayment if 300 aircraft are built. Only part of the loan could be repaid if the type won fewer orders.

If the British Government gives the go-ahead for construction of the HS146, Saab-Scania would start delivering parts in 1980.

Mercedes truck line starts in S. Arabia

STUTTGART, April 10.

NATIONAL AUTOMOBILE Industries Co., a joint venture between Daimler-Benz and Ahmed Juffali, a Saudi Arabian businessmen, plans to start production of heavy Mercedes trucks on April 12.

The Jeddah-based National Automobile Industries Co. was founded in 1975 and is capitalised at DM18.3bn. Daimler-Benz currently owns 26 per cent. of the company. Production capacity is estimated at 6,500 units annually.

Greeks to seek Arab capital

By Our Own Correspondent — ATHENS, April 10.

A THREE-DAY meeting will be held in Athens from June 26 to 28 intended to attract Arab capital investment to Greece.

The meeting, organised by the Hellenic Chamber for Development and Economic Cooperation with the Arab Countries, will be under the auspices of co-ordination Minister George Rallis and is expected to be attended by many prominent Arab businessmen, industrialists, financiers and bankers.

The meeting is to inform Arab participants of the opportunities offered by Greece to potential investors in various sectors and to explain incentives. Economic profiles of specific investment projects in the public and private sectors will be presented.

Saudi solar energy plant

By James Buchan — JEDDAH, April 10.

SAUDI ARABIA is to build its first electricity generating station powered by solar energy, according to the Saudi Press Agency.

A SR5m. ($1.5m.) contract has been signed in Riyadh by the Industry and Electricity Minister, Dr. Ghazi Algosaibi, and a French company, Sofretes, Societe Francaise des Recherches Thermiques et Denergie Solaire.

The 240-KW station will be used for electricity and water pumping projects.

U.K.-led group likely to win £75m. contract

BY JOHN LLOYD

A BRITISH AEROSPACE-LED consortium is believed to have won a £75m. contract for the manufacture and supply of a satellite system for the European Space Agency (ESA). An announcement is expected by the end of the week.

The work is thought to be going to the MESH consortium, which, in addition to British Aerospace, includes Matra of France, Erno of West Germany and Saab of Sweden.

The contract will be for the European Region Communications Satellite System, and includes the manufacture of t[wo] communications satellites a[nd] two maritime satellites.

British Aerospace, as leader [of] MESH, was the prime contract[or] for the ESA's orbital t[est] satellite, which had an unsucce[ss]ful launch last year. The n[ew] date for a second attempt [is] May 4.

The company is also the pri[me] contractor in the development [of] MAROTS, the maritime satell[ite] communications system. T[he] MAROTS system is the fo[re]runner of a worldwide co[m]munications service.

Comsat Mid-East deal

BY JOHN LLOYD

COMSAT, the U.S. communications satellite contractor, has won a contract worth about $20m. (£10.7m.) to design a satellite system for the 21 countries of the Arab League. The contract for the manufacture and supply of the system, which Comsat will define, will be worth about $200m. in total.

British Aerospace, which recently absorbed the satellite manufacturing capacity [of] Hawker Siddeley Dynamics, [is] well placed to compete for t[he] contract as leader of MESH, t[he] European consortium of co[m]panies for satellite manufactur[e].

Comsat's contract will be wi[th] Arabsat, the organisation that c[o]ordinates the satellite requir[e]ments of the Arab Leag[ue] countries, with headquarters [in] Riyadh.

Brazil proposes oil barter deal

BY DIANA SMITH — RIO DE JANEIRO, April 10.

BRAZIL'S National Oil Council estimates that the country will import 141.1m. barrels of oil and oil derivatives in the first half of this year. The cost of crude fob is calculated at $1.785bn., and $1.958bn. including freight charges, for the period.

Brazil is completing negotiations with Venezuela for an exchange deal of the sort it now strongly favours, involving 30,000 tonnes a month of Brazilian iro[n] pellets and 30,000 barrels [of] Venezuelan oil a day.

Last year Brazil imported 6.1m barrels of oil from Venezuela.

The Oil Council reports tha[t] Saudi Arabia supplied 30 pe[r] cent. in the first half and 33 pe[r] cent. in the second half o[f] Brazilian oil imports, thus makin[g] it the country's main source o[f] crude.

Move to raise air cargo rates

GENEVA, April 10.

AIRLINES FLYING the North Atlantic have agreed to raise cargo rates by up to 10 per cent. to meet mounting costs and inflation, the International Air Transport Association (IATA) announced here to-day.

The 29 member airlines flying between the United States or Canada and Europe or the Middle East agreed on a new cargo rate structure to start on September 1 pending approval by the Governments concerned. Reuter

OECD shipbuilders losing market to Third World yards

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

SHIPBUILDING countries within the Organisation for Economic Co-operation and Development will see their share of world merchant shipping output decline from 94 per cent. in the mid-1970s to between 60-80 per cent. by the mid-1980s as yards in the developing world continue to grow, according to a study by H. P. Drewry, the London consultant.

Drewry says that if Third World shipbuilders succeed in using half their capacity, their share of world output during the expected production trough of 1981-82 will be 30 per cent., compared with 5-6 per cent. now.

That would leave the OECD countries with output of 11.4m. d.w.t. or 60 per cent. of the total in 1981-82, a cutback of 70 per cent. from 1977 production levels. The remaining 10 per cent. balance in output would be met by Comecon yards.

Drewry notes, however, that Third World yards are producing at a quarter of their capacity, on average. If that is maintained, representing the minimum output level likely in future years, according to the report, the developing countries' yards will account for 15 per cent. of output in 1981-82, leaving the OECD with 75 per cent.

The authors of the report argue that developing countries' yards will, unlike OECD yards, escape the need to reduce capacity because their costs are lower and their national fleets still growing as a proportion of the whole. OECD fleets represent less than half the world fleet.

The current world orderbook supports that Third World yards' share is 15 per cent., representing 3.8 years' work at present output levels. OECD yards will have worked through their current orders in about 14 months.

That is the background against which the OECD has sought to bring the developing countries' shipbuilders, prominently South Korea, into discussion on the future size of the industry.

Drewry says the growth curve of the developing world's yards is unstoppable. It says the best path for both parties would be co-operation, with the OECD guaranteeing an orderly growth of the Third World market share in return for technical assistance.

The Emergence of Third World Shipbuilding. H. P. Drewry, £35/$85. 34, Brook Street, London W1Y 2LL.

ECGD bond guarantees now total 100

Financial Times Reporter

The Export Credits Guarantee Department has issued 100 guarantees in support of bonds for export contracts since the scheme began three years ago. U.K. exports supported through the scheme total £1.4bn. Of the guarantees issued some 80 per cent. support contracts in the Middle East: notably Saudi Arabia with 21 guarantees worth £107m.; Libya, 17 worth £90m.; and Iran, nine worth £21m.

Bangladesh railway bid

By Paul Taylor, Industrial Staff

MR. JOEL BARNETT, First Secretary to the Treasury, is campaigning to secure a slice of a £30m. Bangladesh rail order for the private sector of the British railway industry.

The Crown Agents are to publish tenders for wagons and other rail equipment within the next few weeks after the imminent signing of a tied loan aid package negotiated between Britain and Bangladesh.

The United Kingdom Government approved the loan last July, on the understanding that Bangladesh would buy British. It was then by no means clear whether the full £30m. contract would go to British Rail's BREL subsidiary or whether it would be split with the order-hungry private sector.

Among the companies hoping to win part of the order is the Stockport-based Standard Freight Wagon, which in September sent a deputation to lobby Mr. Barnett, a local MP.

Mr. Barnett, MP for Heywood and Royton, says he has put the company's case forward to Overseas Development Minister Mrs. Judith Hart, and to the Crown Agents and hopes Standard Wagon will get "a respectable share" of the order.

The final decision on who wins the orders rests with the Crown Agents in consultation with Bangladesh

Some ICI yarns to go up by 7.5%

ly Rhys David, Textiles Correspondent

I IS TO increase the price of tain specialised industrial rns by an average of 7.5 per nt. from May 1. The increase, tails of which have been sent a letter to trade customers. ver nylon yarns used mainly woven applications such as ated fabrics, seat belts, and read.

Industrial textiles have been asonably buoyant for fibre procers during the present receson but it has proved difficult keep prices in line with creases in cost. Pressure on e prices of non-specialist indusial textile yarns has been ming in recent months from merican yarn exports to urope.

The increases will be the first industrial nylon yarns since year last January when a neral fibre price increase was nounced. The company said sterday that increases in the ice of polyester industrial rns were not being made now at could follow.

More jobs created by grant

VM. REED, the Manchester extile group, which acquired the ss-making Barwick Carpets in ebruary, is to receive a 120,000 interest-relief grant rom the Department of Industry owards the cost of restructuring he company, writes Rhys David.

This will help to secure the obs of the 160-strong labour orce at Barwick which was hreatened with closure by its American parent before the ntervention of Reed. Expansion s expected to create a further 0 jobs.

£1m. vermouth launch

By Stuart Alexander

CINZANO is to spend more than £1m. before the end of the year on promoting a new rosé vermouth in the U.K.

The drink, which uses Italian rosé wine, has been available in Italy and Germany for the past two years, and was introduced recently in the Benelux countries.

It will retail in the U.K. for between £1.30 and £1.40 a bottle.

YKK zips to spend £5m. on expansion

FINANCIAL TIMES REPORTER

YKK FASTENERS, the Runcorn, Cheshire, based subsidiary of Japan's biggest zip manufacturer, is to spend up to £5m. on new plant and increased capacity between now and 1980. One result will be a reduction in the company's imports from Japan.

The news comes hard on the heels of the week-end appeal by Mr. Alan Williams, Minister for Industry, for Japanese companies to invest more in Britain and so become "job creators" rather than "job destroyers" by competing with imports against U.K. companies.

It follows, too, a specific call by Mr. Williams for YKK, which has about 40 per cent. of the £25m.-a-year U.K. zip market, to cut its import levels.

Last year, said Mr. Williams, YKK's imports had not declined as the company had forecast but increased. There should be an improvement in the ratio of the company's exports—a fifth of the British factory's sales last year—to its imports.

The Zip Fasteners Manufacturers' Association has also complained about YKK, claiming that the company's British activities have been subsidised by unrealistically priced imports, including raw materials.

It gave a cautious welcome to the expansion plans which, it said, would put YKK on the same footing as other domestic manufacturers so far as wages and other costs were concerned.

Mr. Susumu Takahashi, managing director of YKK, detailing the expansion plans, admitted that the company had been forced to step-up imports because of problems in meeting demand from the U.K. plant. The extra capacity would enable it to reduce fastener shipments from Japan.

He denied that the company had been bringing in cut price imports. Its Tokyo-based parent, which has about 90 per cent. of the Japanese market, exported at the same price levels around the world.

Work on extensions at Runcorn, where only about eight acres of YKK's 20-acre site have been developed since the company was established in 1970, has already started, though construction problems, mainly over material supplies, have caused delays. The work was due to be completed next year.

Lorne Barling writes: Mr. Williams yesterday predicted substantial Japanese investments in the European Community in the near future due to problems facing Japan's major exporters.

He said it had become clear during his recent visit to Japan that there was increasing despondency in domestic industry, caused by intense South-East Asian competition, the upward movement of the yen and increasing protectionism in buyer countries.

Many industrial leaders recognised that the problems could only be overcome by investing in factories abroad and they saw entry to the EEC as extremely important.

Plea to buy £100m. U.S. jets

FINANCIAL TIMES REPORTER

PLANS to buy 20 U.S. jet airliners for over £100m. were put to Mr. Edmund Dell, the Trade Secretary, yesterday by British Airways.

Mr. Frank McFadzean, British Airways chairman, told Mr. Dell of his Board's wish to buy Boeing 737s to replace the ageing Trident One and Trident Two short-haul aircraft in preference to expanding the fleet of British BAC 1-11s or buying the U.S. McDonnell-Douglas 9-40.

The two-hour meeting covered other British Airways forward buying plans, but the main topic was replacement for the Tridents, which British Airways considers a matter of urgency.

It wants to place an order within two months, but must wait until Mr. Dell has consulted his advisers. Neither the British Airways Board nor the Department of Trade would comment after the meeting.

BAC said it was waiting for an official announcement before making its views known.

The decision to buy Boeing was taken at a meeting of the British Airways Board on Friday. The aircraft was considered better than its competitors on both price and noise level.

Aerospace industry unions have already claimed that if British Airways is allowed to buy the U.S. jets, the British aircraft manufacturing industry would suffer. Some politicians are also expected to complain bitterly.

But British Airways is thought to maintain that if it is forced to buy British the Government would have to subsidise both purchase and running costs.

Editorial comment, Page 18

Ultramar faces Canada clash

BY CHRISTINE MOIR

ULTRAMAR, the oil refinery company with sales of more than £500m. a year, may become embroiled in a fierce legal battle in Canada if it is successful with its bid for the 100,000-barrels-a-day Come By Chance oil refinery in Newfoundland.

The refinery was placed in receivership last pring. The Receivers, Peat Marwick Mitchell of Toronto, offered it for sale last September. At that time it rejected all the offers, but yesterday announced that the company had received an offer from Ultramar and would make a decision on it to-day.

The problem arises because the holding company of the refinery, Shaheen Natural Resources, has been fighting the bankruptcy order.

The date for the appeal against the order has been set for April 26. In the meantime, Mr. John Shaheen, chief executive of Shaheen, has said that his company would seek "injunctions and money damages" from would-be buyers.

This was said last summer, when Peat Marwick announced that it was offering the refinery at tender. Yesterday's statement from the Receiver did not refer to the forthcoming court case, nor to the damages warning by Mr. Shaheen.

Mr. Campbell Nelson, chairman of Ultramar, refused yesterday to put a figure on his company's offer because of continuing interest from other possible bidders. The refinery has been described as a "SC250m. facility," but it has been in mothballs since the middle of 1976.

Ultramar's interest in Come By Chance is in transhipment facilities it offers, rather than in the refinery itself.

Phillips well gives good oil and gas production results

BY RAY DAFTER, ENERGY CORRESPONDENT

PROSPECTS for the commercial development of the Phillips group's Maureen oilfield in the North Sea have been enhanced by the results of the latest well there.

Phillips Petroleum, operator for the Maureen consortium, said yesterday that the well flowed at a rate of 5,256 barrels a day, and 1.69m. cubic feet a day of gas was produced.

It seems certain that the group will decide to go ahead with exploitation of the field. A decision is expected in the next month or two.

The field, 155 miles north-east of Aberdeen, contains an estimated 120m. barrels of recoverable oil reserves, according to a recent report by the stockbrokers Wood, Mackenzie. On this basis peak production rate might be about 35,000 barrels a day.

It is thought in the industry that the results of the latest well confirm rather than enhance these estimates. The well was drilled to a depth of 8,827 feet about 1.2 miles north of the discovery well and 1.5 miles east of the second well drilled on the block.

Oil flows of 3,600 and 10,950 barrels a day respectively were tested from these first two wells.

The Maureen Field is in Block 16/29 close to the U.K.-Norwegian median line. Its remoteness would mean that the oil probably would have to be transported ashore by tankers, loading at a buoy tethered to the seabed, or through a new pipeline, probably shared with other nearby field operators.

Commercial interests in the field, discovered in 1973, are: Phillips Petroleum Exploration (33.78 per cent.); Fina Exploration (28.96 per cent.); Agip (17.26 per cent.); Century Power and Light (9 per cent.); Ultramar Exploration (6 per cent.); and British Electric Traction Company (5 per cent.).

It was announced on Friday that the partners had signed a State participation deal with the Government and the British National Oil Corporation. Under it the Corporation will have an option to buy at market price up to 51 per cent. of each company's share of oil production from the field.

Radiation processing expansion planned

LRC INTERNATIONAL and the commercial products division of Atomic Energy of Canada are to expand a common interest in gamma-radiation processing.

A new U.K. facility will be commissioned this year to complement the two large-scale cobalt-60 plants of the LRC International subsidiary, Irradiated Products.

The new radiation processing plant will be designed and supplied by Atomic Energy of Canada with the cobalt-60 source. The company claims to be the world's leading supplier of such plants, and of cobalt-60 as the radioactive ingredient.

The company offers commercial service in such areas as the sterilisation of medical supplies, pharmaceuticals and cosmetic preparations, and the processing of veterinary and agricultural products.

Use of gamma radiation for the preservation of foods is likely to attract commercial interest in the early 1980s, after Health Authorities have endorsed the process.

Private company buys insolvent Hivent

BY PAUL TAYLOR

THE HIVENT air pollution equipment company, declared insolvent last month after the National Enterprise Board refused further financial aid, has been bought by a private Sunderland company.

Russell Foster Holdings, which takes in the Tyne Tube Service and Pipeguard U.K. pipe companies, paid an undisclosed amount to Mr. D. M. Booth of Price Waterhouse, the liquidator, for the company. The latter will be known as Hivent Engineering.

The decision means jobs for 35 of the 42 sacked employees at Hivent's factory on the Wear Industrial Estate, Washington, which manufactures dust extraction equipment.

The National Enterprise Board also stand to recoup some of its losses. In September it injected £104,000 into the company by way of a £54,000 equity stake, giving it a 26 per cent. shareholding and a £50,000 loan.

Losses

Last month, when Hivent was making losses of between £10,000 and £15,000 a month, the Board refused further financial aid and admitted that Hivent was its first complete failure.

Mr. R. Foster, managing director of Russell Foster, said that his company had spent a "considerable" amount buying Hivent as a going concern and was confident that its problems could be solved within 12 months.

The Enterprise Board could expect to recoup a percentage in the pound of the loan, but was expected to lose all its equity interest.

Consumer durable stocks grow by 50% in decade

BY DAVID FREUD

THE STOCK of consumer durables held by U.K. households grew by a little less than 50 per cent. in real terms from 1966 to 1976, according to an article published to-day in Economic Trends, official magazine of the Central Statistical Office.

The total value of consumer durables — defined as those articles bought which can be used over a period of more than a year — was estimated at £42.6bn. at the end of 1976.

This was equivalent to just over £2,000 per household, or about 13 per cent. of total net household wealth. At current prices, the value of the stock rose rather less than fourfold in the 10 years to 1976. At constant 1970 prices, this was the equivalent of a little under 50 per cent.

At constant prices, the net stock of household appliances almost doubled in the 10 years, while the net stock of clothing and footwear and of furniture increased by about one-third. The net stock of motor vehicles grew by about a half.

At the end of 1976 the composition of the net stock (at current prices) was roughly: furniture 39 per cent., household appliances 17 per cent., motor vehicles 16 per cent., clothing and footwear 11 per cent., recreational equipment 11 per cent., and miscellaneous items 6 per cent.

Prices battle takes toll of foodstores

NEWS ANALYSIS

GROCERY

By Elinor Goodman, Consumer Affairs Correspondent

THE GROCERY business is always a good place for bid rumours. But in the past six months the mutterings have become persistent.

The price war, it was said, must eventually result in a fundamental re-alignment of the various contenders for the shoppers' food budget. The suggested marriages involved just about every name in the business.

The proposed merger between the wholesale groups Linfood and Wheatsheaf proved that the rumours were right in one respect. The price war has taken its toll of the profits of both companies, and while Mr. David Linnell, chief executive of Linfoods and a wholesaler all his life, denies that the merger is a defensive one, its timing must have been effected by the price war.

Since last June, when Tesco dropped trading stamps and cut its margins in a blaze of publicity, there has been a major switch in customer loyalties. Tesco and Sainsbury have managed to increase their combined market share of the packaged grocery market by around 5 per cent., taking around £500m. of sales away from other grocers. Few of their competitors have escaped completely but it has generally been the independent grocers who have fared worst.

These independent grocers use the cash and carry wholesale warehouses run by Linfood and Wheatsheaf as well as companies like Nurdin and Peacock.

Linfood and Wheatsheaf are also heavily involved in voluntary group trading through the Spar and VG chains respectively but while the shops which are affiliated to these groups have generally been more successful in holding on to sales than small shops outside the groups, this has been partly achieved at the expense of the wholesalers' profits — which, at the best of times, are rarely above 2 or 3 per cent. and are now nearer 1 per cent.

The Wheatsheaf / Linfood merger therefore has something in common with the other piece of big news in the grocery business—Spillers' withdrawal from the bread market. Both reflect the problems caused by overcapacity in a depressed market and the price war.

Even without last year's increase in competition, it is quite likely that there would have been a merger among the big wholesale groups. For 20 years, the history of wholesaling has been one of companies coming closer together—either by takeovers or through the formation of voluntary groups.

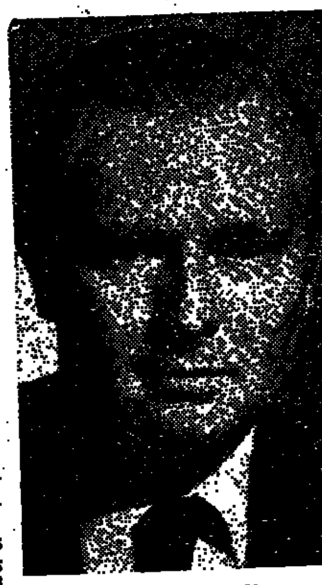
The early motivation behind these groups was almost entirely defensive. What was at stake was the future of the independent shopkeeper and his traditional supplier, the wholesaler. Bulk buying was seen as one possible solution. Wholesalers who were servicing retailers in different parts of the country got together in companies which co-ordinated at least part of the buying. Like the retailers, the wholesalers retained their independence while co-operating in certain areas.

Since the 1950s, these organisations have become increasingly sophisticated and sell more than 10 per cent. of groceries sold in this country. Spar alone, with its 4,000 members, has about a 4 per cent. share of the market, while VG, with just over 3,000 members, has more than 2 per cent.

As they have grown, so too has the trend for one large company to dominate other wholesalers in the group. Linfood, though only one of 17 wholesalers in Spar, accounts for over half its turnover. Wheatsheaf is in much the same position in VG, while Booker McConnell dominates Mace, the third of the big groups.

One of the interesting questions posed by the proposed merger is what will happen to those wholesale companies in Spar and VG which have no financial links with either Linfood or Wheatsheaf.

There is almost certainly room for further rationalisation in the industry in terms of warehouse capacity. If Friday's deal goes ahead, the companies will presumably look at the map to see how much overlap there is. Some wholesale grocery warehouses might, for example, be switched to frozen foods or some of the other areas into which both companies have recently expanded.



David Linnell

"Merger not defensive."

The other option would be to merge Spar and VG into one voluntary group. This would have to be approved by the members, some of whom may well be uneasy about the increasing concentration in the industry.

But even if the separate identities are retained on the High Street, the two companies would carry more muscle behind the scenes in terms of buying power. Their combined turnover of around £800m. would mean that their sales were not far short of those of Tesco and Sainsbury, which after the Co-op, are Britain's biggest food chains.

Certainly some rationalisation seems likely on the cash and carry front, which would account for around 40 per cent. of the combined sales. At present, Linfood uses a variety of different names for its cash and carries and the merged company seems bound to consider launching a single chain embracing both the Linfood and the Wheatsheaf warehouses.

The other area of expansion would probably be in shops run by the company. Wheatsheaf owns five of the largest supermarkets in Britain under the name of Carrefour and while these stores, which were once considered some of the jewels of British retailing, may have lost some of their profits attraction, they are still considered very desirable properties by other groups.

The company's wholesale associates might, however, take a dim view of things if the new company made it too obvious that it considered retailing, and not wholesaling, the growth area for the future.

Yesterday, the feeling among other grocers was that the Linfood-Wheatsheaf story could become a long-running saga, and that this particular bid might not be the end of it.

Society criticises homes loan curb

By Michael Cassell, Building Correspondent

THE GOVERNMENT's curb on mortgage lending was yesterday criticised by one of the country's largest building societies.

Societies are lending about £70m. a month less than they had planned because of the curb, brought about by Government concern over sharply rising house prices.

Mr. Gerald Aspell, chairman of the Leicester Building Society, told its annual meeting that the lending restrictions could only temporarily prevent house prices from rising to a point where new market levels were established.

The Government's move would discourage builders from initiating housing projects and could also prevent would-be vendors from putting their properties on the market.

Some societies have claimed that the prospect of sharply rising house prices had encouraged vendors to withhold their homes from the market because of the prospect of larger profits.

News of the mortgage cut, they say, has already prompted many potential vendors to go ahead and sell in case the housing market becomes more difficult.

Mr. Aspell said: "It is unfortunate that we have had to accede to the Government's request to cut our lending in the first half of this year and to disappoint mortgage applicants."

There was evidence that prices of certain types of homes in some areas were rising at a greater rate than last year but this trend was "by no means univesal."

Banks press 'fiscal neutrality' case

BY MICHAEL BLANDEN

BANKS COULD carry out home lending just as well as—if not better than—building societies if they had the same tax advantages, Lord Armstrong, chairman of the Midland Bank, said in evidence to the Wilson Committee on the financial institutions.

Lord Armstrong, developing the arguments presented by the banks for "fiscal neutrality" in the treatment of the various financial institutions, said that the banks would set up a subsidiary or a system which would enable them to undertake substantially more housing finance.

Mr. Anthony Tuke, chairman of Barclays Bank, suggested that the banks might develop specialised industrial banking operations. This might provide a vehicle for taking equity stakes in industrial companies and could help with the problem of finance for small companies.

The banks repeated their case for considering some form of official refinancing arrangement to help them to extend the provision of medium-term finance for industry.

The Bank of England showed some concern about the problems which might arise from this idea, particularly in relation to control of the money supply.

In oral evidence the Bank also expressed reservations about another idea put forward by the London clearing banks. This was the possibility of issuing medium-term floating rate notes to raise funds to support the extension of their lending.

The evidence published to-day includes the written papers and the oral examination of the accepting houses, the London and the Scottish clearing banks, the Bank of England and the Scottish Development Agency. It contains some previously published evidence, including the London clearing banks' written submission.

The two volumes relate to the first stage of the Wilson Committee' work, which concentrated on the financing of industry and trade and covered issues including the availability of funds to suport real investment and the special problems of the smaller company.

In its written submission the Bank of England highlighted four classes of problems which arose in the 1970s. These were:

- those arising from the onset of inflation at a pace not previously experienced in this country in peace-time;
- those arising from a decline in industrial profitability in real terms, to levels previously seen only at time of deep economic depression;
- those arising from some apparent disinclination among banks and institutional shareholders to concern themselves with the causes of managerial failure in the companies in which they had financial interests, or with seeking remedies as distinct from disposing of the shares; and
- those which arose from the frequent unforeseen changes in Government policies, levels of taxation and tax reliefs, regional and investment incentives, price and wage controls, and a whole range of Government actions affecting the industrial climate, which at the time appeared to be particularly demoralising to management.

The bank said in oral evidence on the loan note proposal that these could present difficulties if they flourished when there were direct controls on credit.

Plastics working party chairman named

BY KEVIN DONE, CHEMICALS CORRESPONDENT

MR. STEPHEN GIBBS, deputy chairman of Turner and Newall, has been appointed chairman of the new sector working party for the plastics processing industry, set up as part of the Government's industrial strategy exercise.

The working party holds its first meeting to-day and its chief concern will be to improve the industry's weak position in world trade compared with other EEC countries.

The working party will inherit much of the work carried on by its predecessor, the plastics steering committee. This body has agreed that companies should aim to double exports in three years, a target that could add £330m. a year to the balance of payments.

Plastics in Building: A Comparative Study of Attitudes and practices in the U.K. and Germany. Polymers Engineering Directorate, Science Research Council, State House, High Holborn, London WC1R 4TA.

Repairs aid marine engineering

FINANCIAL TIMES REPORTER

STEADY repair work and warship business have helped to boost results from some of Britain's marine engineering companies during the world shipbuilding slump.

But the going will get tougher in the next two years, says a new survey of the 85 companies in the industry.

Already, more than a fifth of companies surveyed are losing money.

Yarrow, the London-based marine engineer with other interests in shipbuilding and boiler-making, Simpson and Lawrence, the Glasgow company with annual sales of £3.8m., and Wilson and Kyle, of Middlesex, have produced strong trading performances recently.

Sales gains ranging from between 20 and 36 per cent. have been accompanied by strong margins. Yarrow margins exceeded 25 per cent.

Replacement and repair business was worth more than £50m. in 1976, or a third of the industry's annual sales, while Britain's successful warship business, which should be maintained in future, also helped to stabilise order-books.

Latest turnover statistics showed a 15 per cent. recovery in marine engineering business to £98m. for the first half of last year.

But this followed a 1976 sales slump in line with the shipbuilding industry, and was only in line with inflation.

No improvement in real terms is forecast before 1980. Until then, the industry must cope with uncertainty created by delays in the shipping nationalisation programme and the threat by the State-owned British Shipbuilders to use its in-house marine equipment sub sidiaries.

Out of the 85 companies surveyed, which included nine quoted operations and 50 subsidiaries of larger companies, larger companies performed better than their smaller colleagues. Only one quoted company in the survey was losing money.

Marine Engineers by Jordans Dataquest, Jordan House, 47 Brunswick Place, London N1; £28.

Chloride in move for better batteries

Financial Times Reporter

CO-OPERATION between Chloride group and Porvair to make improved materials for battery separators should mean a big advance in battery technology.

Porvair, now 80 per cent. owned by American-based Inmont, developed Porvic synthetic porous material, still widely regarded as unbeatable.

Both Porvair, which has been disappointed in finding markets for its leather substitute, and Chloride found they were working along parallel paths.

Chloride is confident that the new type, thinner separator components to be produced at King's Lynn will give a boost to lead acid battery markets. New technology is needed to lessen environmental pollution hazards.

Chloride expects a new high-energy battery to be ready inside 18 months. It could increase the range of the Silent Karrier 35 cwt. van now undergoing field trials from 45 to 55 miles or improve speed and acceleration.

Advanced technology will also enable Chloride to provide battery shapes better suited to customer needs. For example the National Coal Board wants smaller batteries for underground haulage. They also seek to overcome problems of providing anti-spark safety systems on batteries.

New batteries could also make it easier to design electric fork trucks for container stacking.

Porvair's shareholders will be asked to approve the agreement with Chloride Lorival, the Chloride subsidiary, on April 27.

£619m. grant for universities

By Michael Dixon, Education Correspondent

BRITISH universities are to share a grant of £619m. for their recurrent spending in 1978-79, plus £41.6m. for furniture and equipment.

Announcing the grants in the Commons yesterday, Mrs. Shirley Williams, Secretary for Education and Science, said that both figures represented cash limits.

But if pay and prices affecting universities' recurrent expenditure were to rise by "substantially" more than the 6 to 10 per cent. allowed for in the Government's calculations, it would be prepared to review the main grant.

To assist the universities' long-term planning, Mrs. Williams also gave provisional figures for the main grant in the following three years. These, at 1978-79 prices, were: £635m. in 1979-80; £648m. in 1980-81; and £670m. in 1981-82.

Chinese ceramics fetch £114,000

CHINESE ceramics sold yesterday by Christie's fetched £114,154. Marchant and Son, London dealers, paid £9,500 for a famille verte saucer dish painted with peach and pomegranate branches.

Douglas Wright, another London dealer, paid £15,500 for a famille rose lemon-yellow-ground dish moulded with chrysanthemum petals.

Wertheim gave £4,200 for a glazed buff pottery figure of an attendant standing on a pierced rockwork base, T'ang dynasty and Rare Art, a New York dealer, gave £3,200 for an archaic bronze tripod cauldron, Li-Ting, from the Shang dynasty.

SALEROOM
BY ANTONY THORNCROFT

Christie's had a highly successful sale in New York on Friday of printed books and manuscripts which fetched $578,802 (£309,519). Only 4 per cent. was bought in.

Maggs, London dealer, paid $50,600 (£27,058) for a Book of Hours, an illuminated manuscript on vellum. Richly illuminated on 28 leaves, the work includes 14 large miniatures painted in the late 15th century.

A first edition in two volumes of the Natural History of Carolina, Florida and the Bahama Islands, by Mark Catesby, went to Bartfield, New York book dealer, at $35,200 (£18,823).

The Birds of New Guinea and the Adjacent Papuan Islands, by John Gould and Richard Bowdler Sharpe, in five volumes, 1875-1888, realised $30,800 (£16,470).

Kraus, New York book dealer, paid $35,200 (£18,823) for Sonnetti Lussuriosi, by Aretino Pietro and illustrated with woodcuts after Giulio Romano and three other erotic works.

At Sotheby Parke Bernet in New York on Friday and Saturday a sale of Oriental rugs and carpets realised $1,292,050 (£687,260). This establishes a new record total for any carpet sale, breaking the record set by Sotheby's London saleroom only two weeks ago.

The highest price of the two days was $60,000 (£31,915) paid for a Kashan wool carpet measuring 31 feet 6 inches by 14 feet 6 inches, an auction record for this type of carpet.

Avon cosmetics plans manufacturing plant

FINANCIAL TIMES REPORTER

AVON, the U.S. direct-selling cosmetics multinational, might base extra European manufacturing capacity in England or Ireland, Mr. Crosby, U.K. managing director, said yesterday.

Avon, which is already committed to a $30m. investment programme in Europe, favours the two countries because of the Government help available.

Mr. Crosby said existing facilities at Avon's factory in Northampton, in operation since 1959, might be expanded. Alternatively, a completely new factory could be built elsewhere.

No final decision about location or the shape of the expansion would be taken before the summer.

The U.S. company, which has just spent £1m. expanding its distribution facilities at Corby, near Northampton, showed an 11 per cent. rise last year in European sales to £165m. Major marketing programmes were launched to boost efficiency.

Community lends Coal Board £31m.

A £31m. loan is to be made to the National Coal Board by the European Coal and Steel Community for development work at a number of collieries.

The loan will be paid out over the next few years in line with the development of each project. The terms will depend on market conditions at the time of payment.

Yesterday's announcement brings the total paid out to the Coal Board from the Community since 1973 to £280m. The Board, like other members of the Community pays an annual levy to it. Last year it was around £6m.

The 14 collieries receiving the loans are in Derbyshire, the North-East, Scotland, South Wales and Yorkshire.

Projects for which the money is earmarked are: Goldthorpe/Highgate, for developing output and improving manriding and coal clearance; Askern, for a new underground conveyor system and the construction of a new coal preparation plant and rapid rail-loading facilities; Houghton Main will get money to increase output and to instal new preparation facilities; Grimethorpe and Manton, for improving the quality of output.

Thoresby will get funds to improve rail loading; Harworth to increase colliery output; Wearmouth to extend underground roads and provide additional ventilation; Bagworth-Ellistown to improve rail-loading facilities.

New reserves are being developed at Lady Windsor/Abercynon, Lew Hall and Seafield Frances; at Bentley and Prickley/South Elmshall, new electric winders will be installed.

Power Board shows its confidence in gas turbines

BY DAVID FISHLOCK, SCIENCE EDITOR

GAS TURBINES provided to the electricity supply industry had proved less reliable and shorter-lived than those used by airlines, Mr. Glyn England, chairman of the Central Electricity Generating Board, told the International Gas Turbine Conference at Wembley yesterday.

The Board has orders for gas turbine generating sets worth about £280m. placed with Rolls-Royce and GEC.

Noisiness and high running costs—present gas turbines were low in efficiency and needed a premium fuel — were two disadvantages from which gas turbines still suffered, said Mr. England, speaking as a major customer for industrial gas turbine plant.

The Central Electricity Generating Board has 145 gas turbines in service, totalling 2,200 MW of generating capacity.

Mr. England cited as evidence of the Board's confidence in the gas turbine's "ability to perform to our onerous requirements" the fact that it had another 1,400 MW of generating capacity on order.

Over the past decade the Board and its suppliers had achieved "significant improvements" in starting reliability.

When its installation programme was completed, by 1981-1982, about 5.5 per cent. of the Board's generating capacity would be gas turbines.

Mr. England compared the operational requirements with those of airlines. In 1976-77, the Board's average running time per start-up was 41 minutes, compared with an average of 115 minutes' flight time (excluding taxi-ing) for British Airways engines.

A new use for the gas turbine, which the Board was studying in collaboration with the U.S. electricity supply industry, was in connection with compressed air energy storage as a way of storing electricity.

Energy can be stored by compressing air in a rock cavern. By simultaneously storing the heat of compression (probably in a form of fluidised-bed) most of the heat can be recovered during the generation phase.

Because this system needs no fuel to drive the gas turbine—merely hot air from the store—it has both environmental and economic advantages.

No figures to justify high fare rise for commuters

By Ian Hargreaves

BRITISH RAIL has accepted that it will be unable to justify higher than average fares increases on services in London and the South East next year.

It has told the Government that it will not be able to produce the kind of cost-expenditure breakdown for South East services which the Price Commission has said would be necessary to justify such a course of action before 1980-81.

This emerged yesterday when the Secretaries of State for Prices and Transport published a joint response to February's Price Commission report on the January round of rail fare increases. This put up fares in the London area by 16 per cent compared with the national average of 14.5 per cent.

The ministerial response has little to say beyond a general expression of sympathy for the grievances felt by commuters and a reiteration of existing Government Policy towards railways: that London and South East services should play their part in reducing the railway call on public funds.

But it seems likely that in spite of this unbending attitude from Government, British Rail will not single out London commuters for higher fares in the next round of increases.

The feeling is that the Price Commission's point about the need to justify such a policy of "loading" fares increases is valid and that as the information needed to produce such a justification will not be available next year, there will have to be at least a *one* year respite for commuters.

Road group attacks 'low' traffic forecast

THE GOVERNMENT'S traffic forecasts, revised downwards earlier this year after criticism from the independent Leitch Committee, have been attacked by the British Road Federation.

The federation says that the Government's decision to base economic evaluation of road schemes on the lower end of the new forecast range implies "that it is responding to political pressures and not seeking to optimise the use of the nation's resources."

Looking at the "low" figures, support for which was reaffirmed in last week's Roads White Paper, the federation finds that the forecast for the increase in cars registered in the four years 1976-80 is less than half the actual increase in the economically sluggish 1972-1976 period.

In the longer period, 1976-1985, it notes the Government's expectation of a minimum increase of 300,000 net car registrations a year or 2.9m. in aggregate, compared with a growth of 3.7m. or 430,000 a year between 1967 and 1976.

In this earlier nine-year period GDP growth was 18 per cent. The minimum predicted growth for the later period is 26 per cent.

Crown Agents hearings start in September

FINANCIAL TIMES REPORTER

THE PUBLIC hearing of the Tribunal of Inquiry investigating the £236m. losses incurred by the Crown Agents on their secondary banking and property activities between 1967 and 1974 will start on September 11.

The three-man tribunal, headed by High Court Judge Mr. Justice Croom-Johnson, met yesterday for the first of two preliminary hearings.

Judge Croom-Johnson, aged 63, sitting with Lord Allen of Abbeydale, aged 65, and Sir William Slimmings, aged 65, detailed the lines of the inquiry, explained procedure, and invited applications for legal representation.

The tribunal, set up by the Government under the Tribunals of Inquiry (Evidence) Act 1921 after the highly-critical Fay Committee's report on the Crown Agents, has the powers, rights and privileges of the High Court.

The terms of reference are to inquire "To what extent there were lapses from accepted standards of commercial or professional conduct or of public administration in relation to the operations of the Crown Agents as financiers on own-account in the years 1967-74 described in the report of the Committee of Inquiry on the Crown Agents."

Judge Croom-Johnson said that the "lapses" which would concern the tribunal would not be "honest mistakes," but "blameworthy in the sense of deserving censure."

The tribunal will not concern itself with matters subject to criminal proceedings but with the "constitutional position of the Crown Agents and their relationship with Government departments."

Evidence will come mostly from witness statements obtained by the Treasury Solicitor. These witnesses will be subject to examination and cross-examination during the hearing.

In addition, "interested persons," defined as "those in peril of censure or adverse finding," may be legally represented with the permission of the tribunal and will in most cases have reasonable costs paid. The tribunal will consider requests for legal representation at the second preliminary hearing on July 11.

Judge Croom-Johnson said that the inquiry was not a trial and evidence and documents produced by witnesses would not be used against witnesses in any criminal proceedings, except if charged with having given false evidence before the tribunal or conspiracy to do so.

The matters to be investigated are:

The Crown Agents and its business associates

The beginning of the own-account operations.

The provision of information about own-account operations to the Ministry of Overseas Development and other public bodies.

Whether the own-account operations should have been controlled or limited or stopped.

Merger of the Finance Department Investment Account (Finvest) and the joint funds in the Crown Agents' accounts, including the transfer from the Office Fund to the Joint Consolidated Fund in 1970.

Use of Principals' money, directly or indirectly, for own-account operations.

The allotment of shares in Grameo Management.

The operations involving investments in property in Australia.

Participation in the English and Continental group of Companies.

Loans to Mr. William Stern, and his companies.

Gifts received from Mr. William Stern.

Participation in First National Finance Corporation.

Transactions concerning the Manchester Central Station.

Use of "comfort letters."

Circumstances in which certain loans were made or continued, the valuations on which they were based, and the security which was obtained.

Transactions involving Davies, Arnold and Cooper.

Such accounts as were kept and prepared throughout the period.

Staff appointments within the Crown Agents.

Compliance with the Civil Service disciplinary code.

Davies, Arnold and Cooper

The advice given to the Crown Agents in relation to: (i) The loan for the development of Ethelburga House. (ii) Property valuations. (iii) A loan to Murrayfield Securities in 1973.

A loan from the Crown Agents in 1973.

The Commission paid to them for introducing borrowers to the Crown Agents.

Acting for both sides in transactions involving the Crown Agents and third parties.

Failure to register a charge on a site in Epsom in April 1974 within the period allowed.

The Ministry of Overseas Development and its predecessors

Extent to which Ministers and officials took steps to inform themselves or others about the Crown Agents' own-account operations, and what action was taken on the information which was available.

Steps taken to see that the accounts of the Crown Agents were produced promptly.

Response to the report of the Stevenson Committee — whose earlier report on the Agents was published as an annexe to the Fay Report—and the Minister's Statement in Parliament on November 21, 1973.

The Treasury

Steps taken to see that full and proper accounts for the Crown Agents were produced promptly.

Extent to which steps were taken to inform officials and others outside the Treasury of the Crown Agents' own-account operations, and what action was taken on the information which was available.

Action taken on warnings received from the Bank of England in May and December, 1970.

Response to the Stevenson Committee's report.

The Exchequer and Audit Department

Whether there were delays in auditing and, if so, why.

Accounts and audits generally.

The Bank of England

Extent to which steps were taken to inform itself and others about the Crown Agents' own-account operations, and what action was taken on the information which was available.

Attitude to the Stevenson Committee.

هكذا من الأصل

LABOUR NEWS

Cuts sought in bakery shifts to save jobs

BY PHILIP BASSETT, LABOUR STAFF

MR. SAM MADDOX, general secretary of the Bakers, Food and Allied Workers' Union, is to recommend that bakery workers cut the number of shifts they work to try to save some of the 7,986 jobs to be lost by Spillers' decision to pull out of bread-making.

Mr. Maddox said yesterday that the move, which he will recommend to the union's executive committee next week, would reduce by half the Spillers-French redundancy figure.

Many bakery workers do six 12-hour shifts every week, working through their rest days. Mr. Maddox said that if no worker in the industry worked more than five shifts a week, the expected redundancy figure could be cut by 50 per cent.

He warned that bakery workers left to produce the same amount of bread with 23 fewer bakeries would be looking for extra pay for the extra work.

He was "deeply concerned and disturbed" by the closures and again criticised both Spillers and Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, for not consulting or negotiating with the bakery unions before the decision was taken.

Mr. Maddox will meet Mr. Alex Mackie, representing the Scottish bakers and Mr. Joe Young, of the Irish Bakers' union in Manchester to-day and to-morrow for talks on further action on the redundancies and closures.

The Wales TUC has asked the Welsh Development Agency for backing to rescue 800 jobs at Spillers' two South Wales bakeries and Redpath Dorman Long's Treorchy plant possibly by turning them into workers' co-operatives.

Elinor Goodman writes: Mr. Garry Weston, chairman of Associated British Foods, said yesterday that there would be no sudden clamp-down on the level of discounts the bakers give the trade following Spillers' withdrawal from the industry.

The remaining plant bakers would probably try to cut the extent of "soft selling" and this might result in increases in supermarket prices of ½p or a 1p over the next few months.

But the companies were still not in a position to stop giving discounts to their larger customers. Associated British Foods would try to deal with the problem of "returns"—the system whereby the bakers buy back unsold, stale bread from the shops.

In its report on the industry, the Monopolies Commission agreed that this was very expensive practice for the bakers, and both the big groups would like to end it.

Parliament Page 12

Terry Kirk

Kitchen staff at Claridges, the London hotel, went on strike and picketed the building at lunchtime yesterday in a dispute over the dismissal last week of a trainee chef.

The chef, Mr. Richard Elvidge, claims that he lost his job because of his trade union activities after trying to recruit fellow employees to the General and Municipal Workers' Union. The hotel says he failed to carry out his duties in a proper manner.

Some of the strikers on picket duty outside the hotel said that in addition to the reinstatement of Mr. Elvidge, who has been employed at Claridges for about 18 months, they were demanding a five-day week, more money and union recognition.

Rail union chief tries to defuse Front row

By Our Labour Editor

MR. SID WEIGHELL, general secretary of the National Union of Railwaymen, last night tried to defuse the controversy stirred up by his union's warning to members who belong to the National Front.

He said he had not wished to give the impression that membership of the National Front or any other political party would mean expulsion. But the union would look at cases where members were causing racial disruption by distributing leaflets, holding meetings or acting "contrary to the basic rules of the NUR."

The union was not out to punish people merely for their personal views, Mr. Weighell told a meeting of Conservatives at Battersea, London.

The NUR executive, after considering a resolution put to it by its Watford district council, instructed the general secretary to put out a circular registering the union's "complete abhorrence of the anti-union policies of the National Front," and of its attempt to "divide workers on grounds of race, colour or creed."

The executive also asked to be told of any cases of members or union officials using their union office to further racialist policies. This instruction was aimed mainly at a body calling itself the National Front Railwaymen's Association.

8,000 idle in Rolls pay clash

By Our Midlands Staff

MORE THAN 8,000 Rolls-Royce aero-engine workers are now involved in the pay dispute at two factories in the Coventry area. About 1,700 more workers were laid off yesterday at the Ansty plant.

This was the result of intensified picketing at Ansty, where 1,750 were already idle in the engine overhaul division. Those laid off yesterday were at the adjoining industrial and marine engine plant.

In Coventry the Parkside works, making components for the RB211, which powers the Tri-Star, the Concorde and several other civil and military engines, has been closed since the end of last month, with 2,600 manual workers and 2,000 others idle.

The dispute centres on Parkside, where 330 men are resisting moving from piecework to a measured incentive scheme.

Toolmakers pose threat to Leyland

By Arthur Smith, Midlands Correspondent

LEYLAND CARS toolmakers, whose damaging strike took the company to the brink of financial collapse last year, meet next week to consider renewed action.

The executive of the unofficial committee met in Birmingham yesterday to review its position in the wake of the emphatic rejection by manual workers of the company's proposed incentive scheme.

Mr. Roy Fraser, the chairman, made it clear that toolmakers were still pressing for separate bargaining rights as the way to improved differentials for skilled men. The 60-strong committee would decide next week how best to pursue demands.

Signs of further unrest by the toolmakers must add to Leyland management problems, only days after the decision by 100,000 employees to reject a productivity deal offering the prospect of up to £8 a week bonus. The result of the postal ballot has exposed a wide gulf between management and unions about the nature of incentives.

Shop stewards will now claim support for demands for a scheme negotiated at plant level and closely related to individual effort.

The company has resisted such moves which would give greater power over earnings to the stewards and pose the risk of a drift back towards the wage chaos associated with piece work.

At Chrysler, the Ryton assembly plant was halted yesterday and 1,200 laid off because of a strike by 50 production workers. They walked out of the factory on Friday in support of a workmate who refused to perform an additional welding operation.

Taxmen may set up strike fund

BY DAVID CHURCHILL

A STRIKE fund to finance any future industrial action caused by Budget overwork is likely to be set up by the traditionally moderate Inland Revenue Staff Federation at its annual conference in Scarborough next month.

The union's national executive has submitted a resolution to the conference calling for £35,000 to be transferred from reserve funds to establish a "disputes fund." Union officials believe that members' feelings are running so strongly over Budget-inspired work that the fund is certain to be approved.

In January the union called off a three-month overtime ban and work-to-rule which had been staged to protest at the extra work caused by several tax changes last year

The disputes fund would give the union greater flexibility in calling industrial action and advertising its case.

If the Chancellor announces major tax changes requiring excessive overtime, then the union may decide to instigate further industrial action. The union estimates that if the proposed lower tax band is introduced, an extra 1,300 staff will be needed.

But the 800 extra staff agreed after negotiations with the Inland Revenue at the end of last year have still to be appointed. This agreement included "100 or so" new posts at senior level. The federation, however, is annoyed that this approximate figure has been taken as a maximum.

"This is a classic example of the failure of some senior civil servants to comprehend good industrial relations," argues Mr. Tony Christopher, the federation general secretary. "It could prove to be the final straw."

Ninian oilfield dispute settled

CONSTRUCTION work on the Ninian Southern oil platform returned to normal yesterday following the settlement of a dispute involving craftsmen.

More than 500 men out of the workforce of 1,100 had flown off the platform last week in the dispute over completion bonus payments and work rosters. An airlift was yesterday operating to get the men back on the platform.

Grangemouth wages deal is approved

By Our Labour Staff

CRAFT AND general workers at British Petroleum's Grangemouth oil terminal in Scotland have re-negotiated a pay settlement to bring it within Government wage guidelines.

A pay settlement of 11 per cent. was reached for 1,150 process workers doing shift work, together with a self-financing productivity deal which added a further 5 per cent. to the overall bill.

The Department of Employment asked for the deal to be re-negotiated to bring it within the Government's 10 per cent. limit. BP said yesterday that a settlement had now been reached to the Department's satisfaction.

Ceramic union accepts 10%

A 10 PER CENT. pay rise for workers in the pottery industry was officially accepted yesterday by the Ceramic and Allied Trades Union.

Lord Camoys to join Barclays

BY MICHAEL BLANDEN

LORD CAMOYS, executive chairman of Amex Bank, is to become managing director of Barclays Merchant Bank.

It is the second time recently that Barclays has gone outside its own ranks for a top executive of the merchant banking subsidiary.

The move confirms the group's intention to develop the merchant bank further as a specialist operation in the Barclays organisation.

Last September, Mr. Charles Ball, brought in from Kleinwort Benson to spearhead the expansion of the merchant banking business of Barclays, announced his resignation after differences of opinion in the group.

The chairmanship of Barclays Merchant Bank was then taken over by Mr. Deryk Vander Weyer, former senior general manager of Barclays Bank.

At the same time the functions of chairman and chief executive were separated and the bank said that a new managing director would be appointed.

Lord Camoys, who is 38, has been executive chairman of Amex Bank, the London-based merchant banking subsidiary of American Express International Banking Corporation, since January last year.

He was managing director of Rothschild Intercontinental from 1969 and remained in that position after the company was taken over by American Express and renamed in 1975.

He will join Barclays in June and will be succeeded as chairman of Amex by Mr. Sixto K. Roxas, vice-chairman of American Express International Banking and a member of the Amex Board.

APPOINTMENTS

Bowater executives join main Board

Mr. Geoffrey K. Maddrell and Mr. Leo E. Tutt have been appointed additional members of the Board of the BOWATER CORPORATION. Mr. Maddrell is president of Bowater Europe BV and the chief executive responsible for Bowater's industrial subsidiaries in Europe. Mr. Tutt is a director and chief executive of ESCOR, an Australian associated company of the Corporation. He is also a non-executive director of several other Australian companies unconnected with the Bowater Organisation. Mr. Arthur Lissenden will not be seeking re-election as a director of the Corporation at the annual meeting on May 19 and will retire in early June. He will be succeeded by Mr. Tutt as chief executive, Australia and New Zealand.

Mr. Wayham Moran has become general manager of two North of England Bowater operations, the Liquid Packaging Division and Bowater PKL, following the retirement of Mr. C. K. L. Ledger.

*

Mr. M. J. B. Todhunter has been appointed chairman of CLYDE SHIPPING COMPANY.

*

Mr. S. M. Hornby, an executive director of W. H. Smith and Son, has been appointed a non-executive director of S. PEARSON AND SON.

*

Mr. Tom Grimley, who is retiring as managing director of ST. MARTINS PROPERTY CORPORATION and its subsidiaries at the end of next month, is to remain with the group as a consultant until June 30, 1979.

*

Mr. G. W. Hutton has been elected deputy chairman of the LLOYD'S UNDERWRITERS' ASSOCIATION for the remainder of the year.

*

Sir Frederick Catherwood has been reappointed chairman of the BRITISH OVERSEAS TRADE BOARD for 12 months from May 7.

*

Mr. A. L. Blackman has joined the aviation division of SMITHS INDUSTRIES as divisional director technical/operations.

*

Mr. Richard Varcy has retired from the Board of MATTHEWS HOLDINGS and those of its subsidiaries of which he was a director.

*

Mr. J. W. A. Lyons, Mr. M. E. J. Bone and Miss H. Brown will be joining the partnership of W. L. CARR, SONS AND CO., stockbrokers, from April 17. On April 14, Mr. J. A. Filmer Wilson is resigning from the partnership but will remain a partner of W. L. Carr Sons and Co. (Overseas).

*

Mr. Chander Roney has been appointed to the Board of CAMPARI. He has been with the company since 1962, the last ten years as general manager.

*

Mr. David Wilson has been elected president of the MANCHESTER CHAMBER OF COMMERCE AND INDUSTRY. He is senior superintendent of branches with Williams and Glyn's Bank in Manchester and president of the Manchester and District Bankers Institute. Mr. Hamish McDonald, managing director of James Robertson and Sons, has become vice-president of Manchester Chamber of Commerce.

هكذا من الأصل

The Peugeot 604 TI-A Thoroughbred

The Peugeot 604 TI and the racehorse have many things in common. Poise, dignity and immaculate breeding are some of them. Speed, power and style are others.

But, whilst only the privileged few can afford to own a racehorse, the well-priced 604 TI is in reach of many. Unlike the racehorse which is rather a delicate creature, the car is tough and reliable as well as elegant. Tough and reliable because it's designed that way. For as befits a thoroughbred, only the best is good enough; highly skilled designers and engineers, first class materials, and the most advanced manufacturing technology all combine to produce this true thoroughbred.

The oversquare 2.7 litre V6 engine is built from lightweight aluminium, and has twin camshafts for maximum flexibility. The benefit of using light-weight materials is reflected in the excellent fuel consumption figures (33 mpg at a constant 56 mph*). Technically it's at the head of the field taking full advantage of the latest developments. The Bosch K-Jetronic fuel injection system accurately meters the fuel/air mixture to increase power and reduce petrol consumption. The electronic ignition system ensures super smooth starting, and the 5-speed manual gearbox means even smoother, quieter, more economical driving, especially at high speeds. Or, for those who prefer, there's the option of a 3-speed automatic gearbox.

Comfort is naturally of the highest level and the specification of the 604 TI leaves little to be desired; 4 electrically operated windows, subtly tinted glass all round, electrically operated sunroof, power assisted steering, centralised pneumatic door locking system, rear fog lamps and a super deep lustre metallic paint finish to the body with a final coat of clear protective lacquer. The interior is as luxurious as you'd expect and where the 604 really scores is in its spaciousness. As Car magazine said, "rear leg room is almost to limousine standards."

The 604 SL (carburettor model) has always been competitively priced. The 604 TI, with fuel injection and other refinements, represents, at £7582, a first class investment.

And the 604 thoroughbred won't cost you a fortune to run. It's frugal with petrol as we've shown, but in addition it requires main servicing only once a year, or 10,000 miles (with intermediate check and oil change every 6 months or 5,000 miles). The 604 TI is also covered by Peugeot's straight-forward 12 month, unlimited mileage guarantee, and first-class service is assured by our network of fully trained Dealers across the U.K.

Let us tell you more about our thoroughbred–send now for details on the 604.

Model	Manual 5 speed gearbox			Automatic gearbox		
Fuel Consumption*	Constant 56 mph	Constant 75 mph	Simulated urban driving	Constant 56 mph	Constant 75 mph	Simulated urban driving
	33.2 mpg (8.5 l/100 km)	26.1 mpg (10.8 l/100 km)	16.8 mpg (16.8 l/100 km)	27.4 mpg (10.2 l/100 km)	22.4 mpg (12.6 l/100 km)	16.7 mpg (16.9 l/100 km)
Price Inc. VAT & Car Tax. Delivery & No. Plates Extra	£7581.60	Leather seats, air conditioning £8522.28		£7903.35	Leather seats £8243.82	Leather seats, air *conditioning* £8787.87

*In accordance with official government testing procedures.
Prices correct at time of going to press.
Clothes by Ted Lapidus.

Peugeot Automobiles (UK) Ltd.,
Peugeot House, 333 Western Avenue,
London W3 0RS. Tel: 01-993 2331.

PEUGEOT
World famous for strength

604, the best Peugeot in the world.

SPILLERS CRITICS TURN ON SILKIN

MPs angry over failure to seek monopolies ruling

BY IVOR OWEN, PARLIAMENTARY STAFF

RANK HOVIS McDOUGALL and Associated British Foods are unlikely to seek an increase in bread prices before "late 1978," Mr. John Silkin, Minister of Agriculture, told the Commons last night in a statement on Spillers' decision to pull out of the bread industry.

The Government's failure to refer to the Monopolies Commission the two companies' take-over of the 13 bakeries to be kept open was sharply criticised, mainly by Labour backbenchers.

Mr. Silkin's explanation that a reference might have endangered the 5,100 jobs, which will be saved by the acquisition of the surviving bakeries did little to lessen the hostile mood of the Government critics.

There was also strong condemnation of Spillers from the Labour benches for failing to give 90 days notice of the impending redundancies as *required by the Employment Protection Act.*

Mr. Silkin revealed that it was immediately before Easter that the companies first approached the Government in strict confidence through the Bank of England, and made it clear that in order to complete the transfer of the 13 bakeries they needed to know whether a reference to the Monopolies and Mergers Commission would be made.

After following the statutory procedures and in the light of the advice of the Office of Fair Trading, Mr. Roy Hattersley, Prices Secretary, had decided on the information before him, not to make a reference to the commission.

This decision took account of discussions between the Ministers concerned and the major baking companies, in the course of which various points were clarified and a number of assurances given.

Mr. Silkin . . . concern over redundancies.

In further discussions, said Mr. Silkin, Rank Hovis McDougall, and Associated British Foods had given assurances that the 13 transferred bakeries would be kept open for at least a year. They had said that they were taking over all the Spillers Bakeries for which they could see a profitable future.

They also expected, subject to agreement with the unions on working procedures, to recruit the equivalent of over 2,000 additional employees at their existing bakeries, including those in Liverpool, Glasgow and the North-east.

Mr. Silkin stressed that the companies had also stated that the closure of Spillers other 23 bakeries would not endanger bread supplies. But it was a matter for serious concern that the measures taken involved sudden large-scale redundancies in a single firm, with 6,370 full-time and 1,620 part-time jobs lost.

With Labour MPs voicing agreement, Mr. Silkin said that the Government greatly regretted that it had not had more notice of the closures.

But having regard to the substantial over-capacity in the baking industry and Spillers financial difficulties, Ministers had concluded in the circumstances that the re-organisation proposed was probably the least unattractive of all the unattractive courses of action available.

Mr. John Peyton, shadow Minister of Agriculture, claimed to see the fingerprints of Mr. Hattersley "all over this miserable affair," which could well lead to an increase in bread prices of up to 8p a loaf.

Mr. Silkin replied that there were many reasons for not agreeing that an increase of 8p was likely. Among them was the fact that supply and demand would be much nearer so that, inevitably, the unit cost of production would go down.

There was also the fact that Spillers would have a very large amount of flour which previously went to their own bakeries and which would now have to be sold to other bakers.

Mr. Silkin rejected a charge by Mr. Peyton, that the Government's pricing policies had been the main cause of the financial difficulties encountered by Spillers.

Mr. Eric Heffer (Lab., Walton) bluntly stated that he did not accept the Government's case for not making a reference to the Monopolies Commission and added that the district secretary of the Bakers Union in Liverpool had only discovered the impending redundancies during a visit to another factory.

The 90-days requirement imposed by the Employment Protection Act had not been observed and the workers concerned were being "thrown on the streets" within a matter of days.

Mr. Silkin agreed that the Act had been designed to ensure that *adequate notice of redundancies* was given. Whether there had been a breach of the Act was a matter of law which it was not for him to decide.

But he told another questioner that Spillers had taken the view that full consultations would have resulted in open debate leading to a loss of orders, which might have jeopardised their sources of finance and led to even more adverse effects on employment.

Mr. Max Madden (Lab., Sowerby) *contended* that it was in character for Spillers which had been contributing £5,000 a year to British United Industrialists—"a rabid anti-Labour organisation"—to bemoan its financial difficulties.

Tories to cut NEB role

By John Hunt, Parliamentary Correspondent

A PLEDGE was given last night by Mr. James Prior, Conservatvie employment spokesman, that a future Tory Government will continue the present rescue operation for British Leyland provided the company meets the objectives laid down in the plan drawn up by its chairman, Mr. Michael Edwardes.

At the same time, Mr. Prior made it clear that a Tory administration would drastically reduce the role of the National Enterprise Board. It would no longer be allowed to invest in profitable concerns but would become a form of "casualty clearing station" for industries, he told the House.

It would be allowed to deal with companies that had got into trouble for the time being. But once restored to health should be returned to private enterprise.

Although he had a high regard for Sir Leslie Murphy, chairman of the NEB, he warned: "All I will tell him is that the wishes of Parliament will be changed with regard to his role in the not-too-distant future."

Mr. Prior was winding up for the Opposition after a debate on orders granting finance to the NEB and British Leyland.

The Tories opposed the order, giving an extra £300m. to the NEB by increasing its funds from £700m. to £1bn. But, with Liberal support, the Government beat off the Tory attack and the order was aproved by a majority of 27 (279-252).

The Conservatives did not, however, *oppose* an order making a further £150m. available to British Leyland and it was approved without a vote.

The Conservatives argued that the Government was trying to mislead the House by presenting both orders together. They believed that the NEB already had the funds which were necessary to assist British Leyland and accused the Government of using the order as a device to give the NEB an extra £300m. for general investment.

Mr. Prior said that the Conservatives were prepared to support management and labour at British Leyland in order to give them the confidence they needed to get on with the job.

"A change of Government will not lead to a change in British Leyland's future provided it achieves the target that it has set itself and that we, in this House, and the NEB approve."

It was immensely important for the country and for people overseas in export markets to realise that there would be continuity for Leyland going beyond the lifetime of the present Government. Productivity had to be improved in the company and investment used efficiently.

On the company's industrial relations, Mr. Prior said bluntly: "Whether we blame the unions or management, industrial relations in British Leyland over the past few years have been absolutely shocking."

Confidence

For the Government, Mr. Eric Varley, Industry Secretary, stressed the great impact of the NEB and Leyland on employment.

"The collapse of British Leyland would make the Midlands an industrial wasteland. We need to do everything we can to restore confidence in British Leyland and we cannot do this by means of drip feeding."

The company was the heaviest demand on the NEB's purse. If it were to continue in business, £450m. in equity was needed now. He was asking the House to agree for the further £150m. under the Industry Act, while the whole of the remaining £300m. would come from the NEB.

He maintained that the detailed targets which the company had set itself for 1978 were achievable. But the prospect beyond that period needed to be looked at with caution.

The Government's objective remained unchanged. British Leyland should be a viable manufacturer independent of public funds in the 1980s.

The required level of expenditure for new plant, facilities and models, could only be met by public investment on the scale envisaged in the Ryder plan.

Had the company had to finance itself by means of a loan—either public or private—this would merely have added to its interest rate burden at a time when modest profits were expected. Nevertheless, the rate of return on capital of 10 per cent. by 1981, although modest, was consistent with achievable objectives.

The Government had concluded that the Ryder concept of gearing the public funding of British Leyland to specific progress in industrial relations and productivity had proved unhelpful and had led to lack of confidence. Under the new plan, there would only be an overall annual assessment of performance.

EEC unit of account proposal for study

By Ivor Owen

PROPOSALS made at the EEC summit for lessening "turbulence" in the exchange markets will not of themselves promote economic growth or reduce unemployment, the Prime Minister emphasised in the Commons last night.

In reporting on the week-end discussions in Copenhagen, he made it clear that the scheme put forward by Mr. Roy Jenkins, President of the EEC Commission, for an expanded use of the Common Market's unit of account was being examined without commitment.

Ideas were always being put forward in this area, said Mr. Callaghan, and they should always be looked at. "There is no more to it than that at the present time," he said.

The Prime Minister recalled his recent meeting with President Carter in Washington, when he stated he was not aware of any proposal that Britain should re-enter the European currencies "snake."

He said he had told Mr. Carter *that if at all possible it would* be better to tackle the regulation of the currency markets on a world basis, including the dollar, rather than excluding it from consideration.

Mr. Callaghan again underlined the difficulties caused by Japan's large trading surplus and said it would make for more problems in securing stability in the currency markets.

Nuclear chief sees need for higher cash reserves

BY DAVID FISHLOCK, SCIENCE EDITOR

THE RESERVES of British Nuclear Fuels, currently standing at about £19m., needed to be much higher in the light of the substantial uncertainties facing the company's activities, Sir John Hill, its chairman, told the Commons Public Accounts Committee yesterday.

Sir John explained why, after *the committee had urged a year* ago that BNFL should pay a dividend, its directors had recommended a dividend of only 1 per cent.

He said that while he was confident the company would be in a position to pay a dividend again this year, the BNFL Board had been anxious to avoid the risk that in paying a "commercial" dividend last year, it would be obliged to waive any dividend this year.

BNFL is a wholly-owned subsidiary of the U.K. Atomic Energy Authority, a Government agency.

Sir John gave three examples of big commercial uncertainties facing the company, one concerning the overseas reprocessing contracts it expects to handle in its new plant at Windscale.

But if the Government refused permission for this plant to be built, the company would have to bear the cost of returning spent fuel already imported, or transferring it to another country for reprocessing.

Another example was the cost of a pilot plant for the solidification of highly radioactive waste which the Government had said the company should develop. The Government had not yet agreed to bear or share the cost, said Sir John, although he hoped that the matter would be resolved this year.

His third example was the cost of solidifying highly radioactive wastes the company had inherited when it was set up in 1971. It had been established that BNFL was responsible for the wastes, but it had not been decided who would pay for their disposal.

Sir John told the committee that his Board was aiming for a return on capital of 14 per cent.—a figure he believed was necessary if it was to remain profitable.

Questioned about the proposed new reprocessing plant, he said that provided approval was forthcoming, the company would start building the chemical plant in 1981-82. Before then, however, it would be constructing storage ponds to receive the spent fuel.

It also planned to spend about £20m.-£30m. on development and design for the new plant, a big outlay which it would wish to avoid if no approval were forthcoming.

Labour MPs step up battle against Official Secrets Act

BY RUPERT CORNWELL, LOBBY STAFF

LABOUR'S influential Home Policy Committee last night threw its weight behind a Freedom of Information Act to replace much of the present Official Secrets Act, with the onus on civil servants to disclose rather than withhold official information.

The meeting, under the chairmanship of Mr. Anthony Wedgwood Benn, Energy Secretary, also broadly endorsed a document calling for changes in the structure of Select Committees at the Commons placing them on a much sharper party political footing.

These latest suggestions emanate from the machinery of government working group of the national executive committee, which has already won approval from Labour's annual conference for the abolition of the House of Lords.

The new plans will be submitted to the full session of the NEC later this month, and, if approved, will go to the conference this autumn.

A Freedom of Information Act, sought by a significant minority of MPs on both sides of the House, has already featured in Labour manifestos. But the present Government has scarcely been keen to implement such a proposal. It has merely promised a White Paper for later this session, signalling that there is no chance of any legislation to change the notorious Section 2 of the Official Secrets Act before the next general election.

Meanwhile, Mr. Andy Bevan, the n ational youth officer at Transport House, warned Mrs. Shirley Williams, Education Secretary, that political activism was a permanent feature of the school scene.

In the wake of a row over far-Left recruitment among pupils, Mr. Bevan told the education secretary at a session of the NEC's *organisation sub-committee*: "There is a movement of anger growing in the schools. If you think y ou can keep politics out, you are living in the past."

BSC loss estimated at £440m.

THE LATEST estimate of British Steel's losses this year is £440m., Mr. Gerald Kaufman, Minister of State for Industry, said in the Commons yesterday.

He added: "I would prefer to await the audited results before giving the House a firm figure."

Mr. Kaufman said that an estimate of £520m. announced by Mr. Eric Varley, Industry Secretary, on January 16, had included a £50m. allowance for contingencies "which has fortunately proved not to be required."

Answering a separate question yesterday, Mr. Varley said he had no knowledge of any proposals to sell off to private industry complete British Steel plants in areas hit by closures.

Mr. Patrick McNair-Wilson (C., New Forest) said that the chairman of the British Steel Corporation, Sir Charles Villiers, had told him the sale of some plants was being considered. He urged the Government to give full backing to this policy.

Call for September referendum

BY RAY PERMAN, SCOTTISH CORRESPONDENT

PRO-DEVOLUTION campaigners may try to amend the Scotland Bill in the Lords to force the Government to hold an early referendum, probably in September.

The "Yes for Scotland" group —which includes members of all main political parties—said yesterday that uncertainty over the date of the referendum was hindering efforts to build up support for a Scottish Assembly.

The Government's freedom of action over the referendum date has been severely limited by a change to the Bill forced by Mr. Tam Dalyell, Labour MP for West Lothian, which prevents the vote being taken on the same day as a general election or for three months afterwards.

But the "Yes for Scotland" group believes that the Government can overcome this difficulty by holding the referendum before an election. Mr. John Mackintosh, Labour MP for Berwick and East Lothian and a member of the campaign committee, said that a referendum in September would still leave *the Government the option of* calling an October general election.

A proposed amendment, probably to be moved by the group's chairman Lord Kilbrandon, would not specify a date but would compel the Government to hold the referendum within three months of the Bill receiving Royal Assent.

The group will also press the Government to change its mind over the question of State aid to umbrella organisations campaigning for the referendum. Although funds were granted during the European referendum campaign, Ministers have said they do not think money should be given to devolution campaigners on either side. Free postal delivery of leaflets or special time on television will also not be allowed.

● Labour has a five-point lead over the Scottish National Party in the Garscadden, Glasgow by-election, according to an opinion poll by System Three for the Glasgow Herald, published to-day.

Review of price rules promised

THE GOVERNMENT intends to review statutory instruments made under the Counter-Inflation Act, 1973, and the Price Commission Act, 1977, before the end of July, when the power to enforce a Price Code lapses, Mr. Robert Maclennan, Under-Secretary for Prices, told the Commons last night.

He was replying to Mr. Hugh Dykes (C. Harrow E.) who asked about the Government's plans to reduce the scope of the "safety net" provisions for allowable price increases by companies under the Price Commission Acts.

U.K. seeks Lomé human rights deal

BY REGINALD DALE, EUROPEAN EDITOR

BRITAIN WILL press ahead with efforts to insert human rights safeguards into the new Lomé convention linking the EEC with 53 African, Caribbean and Pacific (ACP) countries, Mr. Frank Judd, Minister of State, Foreign Office, told a Commons Select Committee yesterday.

He acknowledged that the attempt would be resisted by most ACP governments, but insisted that that was no reason for dropping it.

Mr. Judd told the Select Committee on Overseas Development that there must be a provision for stopping aid under the new convention, due to take effect in 1980, if human rights were seriously violated, as in Uganda. The EEC had been distressed to discover that there was no way to act against Uganda under the present convention.

He resisted suggestions from committee members that the move meant imposing double standards so long as EEC countries continued to trade with and invest in South Africa.

But the Minister agreed that the Nine would have to be extremely careful to avoid giving the impression of paternalism or "residual colonialism."

Cost of Labour aid to industry

BY THE END of April, Government aid of £1,849m. would have been channelled to private industry since Labour came to power in 1974, Mr. Bob Cryer, Industry Under Secretary told the Commons yesterday.

The figure included an estimated £397m. for the year 1977-1978, he said.

[T]echnical Page

[ED]ITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

[S]ystem X [t]akes [s]hape

[TH]E Post Office's line commu[nic]ation system for the next [cen]tury—dubbed "system X" [in] 1972 because little or nothing [wa]s known about its actual form [—i]s now the concern of 600 [de]velopment engineers in the [tele]communications industry, [wo]rking on a programme likely [to] reach a total cost of £150m.

Ten years from now the Post [Of]fice expects to be placing [or]ders in the U.K. industry at [th]e rate of £200m./annum for [eq]uipment that will handle all [th]e country's telecommunications [re]quirements—'phones, telex and [da]ta and, ultimately video [sig]nals.

To do this the Post Office is [de]veloping initially 16 large [sc]ale integrated circuit-based [m]odules which will be built into [lo]cal, tandem, trunk, interna[tio]nal, data, manual and adminis[tr]ative switching centres. The [m]odules will allow easy expan[si]on in areas of population [gr]owth and, as integrated circuit [te]chnology continues to push forward with reducing cost per function, easy replacement of the modules with improved versions having basically the same job to do.

For 'phone subscribers the use of stored program control, a computer technique, will bring facilities such as abbreviated dialling of frequently called numbers, holding of one incoming call while another is made, multi-subscriber conversations, and ultimately the ability to transfer an incoming call to another number.

But the Post Office in introducing the new system will be faced with a problem never before experienced since the telephone was invented—the welding of a totally different scheme to what already exists.

Although plans have yet to be confirmed, use is likely to be made of the "overlay" concept in which the new digital equipment would be installed at particular centres linked by a skeletal digital network.

Such an overlay would then carry traffic that both originated and terminated in the new network, with connections between the overlay and the existing analogue network.

This will enable new services to be provided to customers on System X without being restricted by limitations in the existing network. On the face of it. this implies an interim period of two standards of service, differently charged.

[V]ersatile transceiver

[IN]TRODUCED into the Euro[pe]an market by Rockwell-Collins [(U].K.) is a high-frequency trans[m]itter-receiver unit with 125 [w]atts of rf power which is able [to] operate as a transportable, [fix]ed-station or vehicle set.

There are two versions, the [m]odel 281 with six channels and [th]e 282 with 20. Frequencies are [se]t by means of a diode matrix [in] the former and a plug-in pro[gr]ammable read-only memory in [th]e case of the 20-channel unit.

In both cases the frequencies [p]rogrammed can lie anywhere in [th]e 1.6 to 30.0 MHz band, subject [o]nly to the 100 Hz increments [im]posed by the frequency syn[th]esis circuits. In the model 282 [s]pare PROMs can be pro[g]rammed with future frequency [r]equirements and simply plugged [i]n when a change is necessary. [A]n optional internal program [s]witch kit can also be used to [s]elect in the field any new frequency for channels 19 and 20. A small amount of manual receiver tuning—150 Hz either side of the centre frequency — permits tuning of slightly off-frequency signals to produce voice clarification.

Optional features include a squelch and a noise blanker, and if desired a voice operated relay can be fitted for "hands-off" operation

An aerial coupler matches the radios to either a standard whip for vehicle or portable operation or a long wire for fixed station operation. The design is compatible with the new CCIR/ITU international communications requirements.

The sets, capable of mains or 12 volt dc operation measure 193 x 394 x 455 mm and weigh about 22 kg.

More from the company at Heathrow House, Bath Road, Hounslow TW5 9QW (01-759 9911).

Packet data to the U.S.

[T]HE one-way database access [s]ervice into the U.S. started by [t]he Post Office with Western [U]nion last year is to be replaced [b]y full scale two-way packet [s]witched service on July 1.

Access will be possible with a [w]ide range of customers' ter[m]inals, operating at the normally [a]ccepted transmission rates [b]etween 110 and 1,200 bits/sec., [e]xcept 600 bits/sec. British users [w]ill establish a connection [u]sing either the public switched [n]etwork or leased lines. But in [a]ddition the Post Office [a]nnouncement states that "use [o]f protocols disciplined by [C]CITT recommendation X25" [w]ill enable users to operate terminals at 2,400, 4,800 and 9,600 [b]its/sec.

An interesting outcome for operators of a number of U.K. databases is that public access from the U.S. becomes possible, via ITT Worldcom, RCA Globcom and Western Union International. Equipment at the U.K. end is being supplied by the Telenet Corporation, with appropriately adapted software.

For dial-up customers will be charged the relevant Datel rates in addition to a single payment charge of £25 and an annual rental of £20.

Use will be charged in terms of data volume and duration, the former at £4 per kilosegment, a segment containing a maximum of 64 characters. Duration rate will be £6/hr., charged to the nearest minute.

● MACHINE TOOLS

Single turret lathe

BY USING the same hydraulic indexing mechanism to operate dual functions, Hydro Machine Tools has developed a compact single turret to replace the conventional twin turret arrangement on NC lathes.

The single unit has a six-station vertical disc turret for external turning tools, and a five-station turret for end working tools.

Maximum turning diameter is said to be greater than on machines of similar capacity equipped with conventional twin turrets, which are limited by the distance between the two turrets when all stations are used. In addition, the programmer has the problem of ensuring that the non-working turret does not collide with the chuck or workpiece on a twin turret machine.

Tool clamping on the Hydro turret allows pre-set (qualified) tools to be used on all stations. The design is said to be relatively inexpensive as it uses the same cross-slide as for a single turret.

More from Hydro (a 600 Group company), Colchester Road, Halstead, Essex CO9 2EU (07874 5121).

● PACKAGING

Foam for fragiles

ALTHOUGH the concept of foam-in-place packaging is not new, a foam-in-place process launched by Tri-Wall Containers —Solidifoam—offers scope in the art of packaging fragile and "different" shaped products.

Equipment for the process includes a dispensing gun, interlocking rotary pumps and a portable manual-automatic control console unit. The company says there is no necessity to strip and clean the apparatus after each application.

Full information from the company at 1 Mount Street, London W1Y 5AA. 01-493 4311.

● HANDLING

Swifter lift-up

A FOUR-cylinder David Brown engine replacing the current three-cylinder power unit is included in modifications to Bonser Engineering's 50, 60 and 70D gearbox and hydrostatic transmission industrial lift trucks.

The increased power output is said to have improved gradeability on all models; particularly those with a manual gearbox, where gradeability is up from 43 per cent. to 57 per cent. —an improvement in terms of climbing an incline from 23 degrees to 29 degrees laden.

Rearrangement and simplification of ballast weights has improved stability throughout the range at Giltbrook, Nottingham. 0602 383621.

Light duty conveyor system

AN OVERHEAD conveyor system for light duty applications throughout industry, the 200L, is introduced by Stewart Gill, the Slough-based overhead conveyor specialists.

This closed track type offers a maximum capacity of 30 kg. per load link with a safe working chain pull of 200 kg. Being fully bi-planer it can operate both horizontally and vertically.

More from the company at 163, Bath Road, Slough, Berks, SL1 4AB. 26546 or 20874.

● INSTRUMENTS

Finds microcircuit faults

RESEARCH Instruments has a multiple unit which it claims to be the most accurate available for probing fine interconnections and pads on microcircuits. A single-control feature for all 3 dimensions of movement ensures rapid and natural operation.

The multiprobe is designed specifically for fault analysis on i.c.'s, and evaluation of circuits during design. Not only bonding pads, but also the narrowest interconnections can be probed or scribed.

When needed less accurate probes or probe cards can be incorporated in addition to the high-accuracy probes. Up to 6 of the accurate probes can be mounted on the anti-vibration base, together with a stage, microscope and illumination. Each high-accuracy probe has a single control lever for complete 3-dimensional fine movement, and separate levers for coarse movement.

Stages are available with excursions of from 25 x 25 mm up to 102 x 102 mm. and z-movements for probing and for interchanging circuits. Vacuum chucks are provided for wafer probing, and various types of socket for probing mounted chips. Large-movement stages can have a micrometer-actuated fine position unit fitted for repetitive probing using a fixed probe configuration.

Microscopes are mounted separately from the stages to avoid mechanical coupling and consequent probe disturbance during microscope focusing and adjustment. The mounting can be fixed, or adjustable by means of an xy positioner. The positioner mounting is necessary for high magnification work on large i.c.'s where it is required simultaneously to probe areas which are remote from one another. Illumination is provided by tungsten striplight arranged for specularly reflective lighting.

Research Instruments, Kernick Road, Penryn, Cornwall.

Recorder of fast changes

X-Y RECORDERS with a slewing speed of 1,000 mm. per second have been designed and launched by B and K Laboratories.

They provide fast and accurate linear dc recording of wave forms, frequency responses and the like so that rapidly changing voltages can be handled without difficulties.

Accuracy is to 0.2 per cent. and there are 15 calibrated X-Y sensitivity ranges from 0.02 to 1,000 millivolts per mm., while nine calibrated sweep rates run from 0.2 to 100 mm./sec.

The equipment allows zero deflection to be set up anywhere in the writing area, simplifying the recording of both positive and negative signal excursions.

B and K, Cross Lances Road, Hounslow, Middx. TW3 2AE. 01-570 7774.

● ENERGY

Heat loss studied

FREE ANALYSIS to help building owners and administrators evaluate their building's energy cost-saving potential is offered by Honeywell.

The building owner or engineer simply fills out a one-page form listing the building's energy consumption and cost history typical of the previous year. The form is then processed to relate the building's data to local weather statistics and to set of formulae based on Honeywell's experience in energy management. The output is analysed, tabulated and printed in an easily understood report.

Experts can be made available to assist building owners in gathering the required data and advise on the kind of investment needed to achieve the estimated energy cost savings.

Various energy management software packages are offered for application to existing buildings. Energy cost savings of between 10 and 30 per cent. have been achieved in the U.S. since building computer analysis was introduced there in 1976.

Further from Commercial Division, Honeywell, Honeywell House, Bracknell, Berks. RG12 1EB. Tel. (0344) 24555.

● HAND TOOLS

Engraving automated

EQUIPMENT for engraving identification particulars on materials or equipment consists of a newly developed card reader with memory storage, a control unit and an engraving head which can be held by an operator and is connected to the control unit by two flexible cables.

The operation of the equipment is entirely automatic in that a punch card containing the necessary information for marking on the product is fed into the card reader which can accept up to 200 cards.

By then pressing a button on the control unit to accept the information and a similar button on the engraving head when it is desired to start operations, the machine will automatically engrave up to 19 characters in a matter of seconds. The shape and size of the characters is entirely dictated by the software incorporated in the control unit which can be designed to meet any specific application.

The equipment is manufactured in Italy but is marketed and backed for after sales services by a U.K. company. It is already in use in Europe and has been on extended trial with a U.K. international car manufacturer which is recommending installation in all its European plants.

Techint at 15, Lincoln's Inn Fields, London WC2A 3ED. 01-242 0152.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● SERVICES

Conference guide

LAUNCHED by Inspec, the information services division of the Institution of Electrical Engineers, is a new conference alerting service based on a database that the organisation has been building up for the last two years.

It will cover the fields of electrotechnology, computers and control engineering, information processing and related fields in materials science.

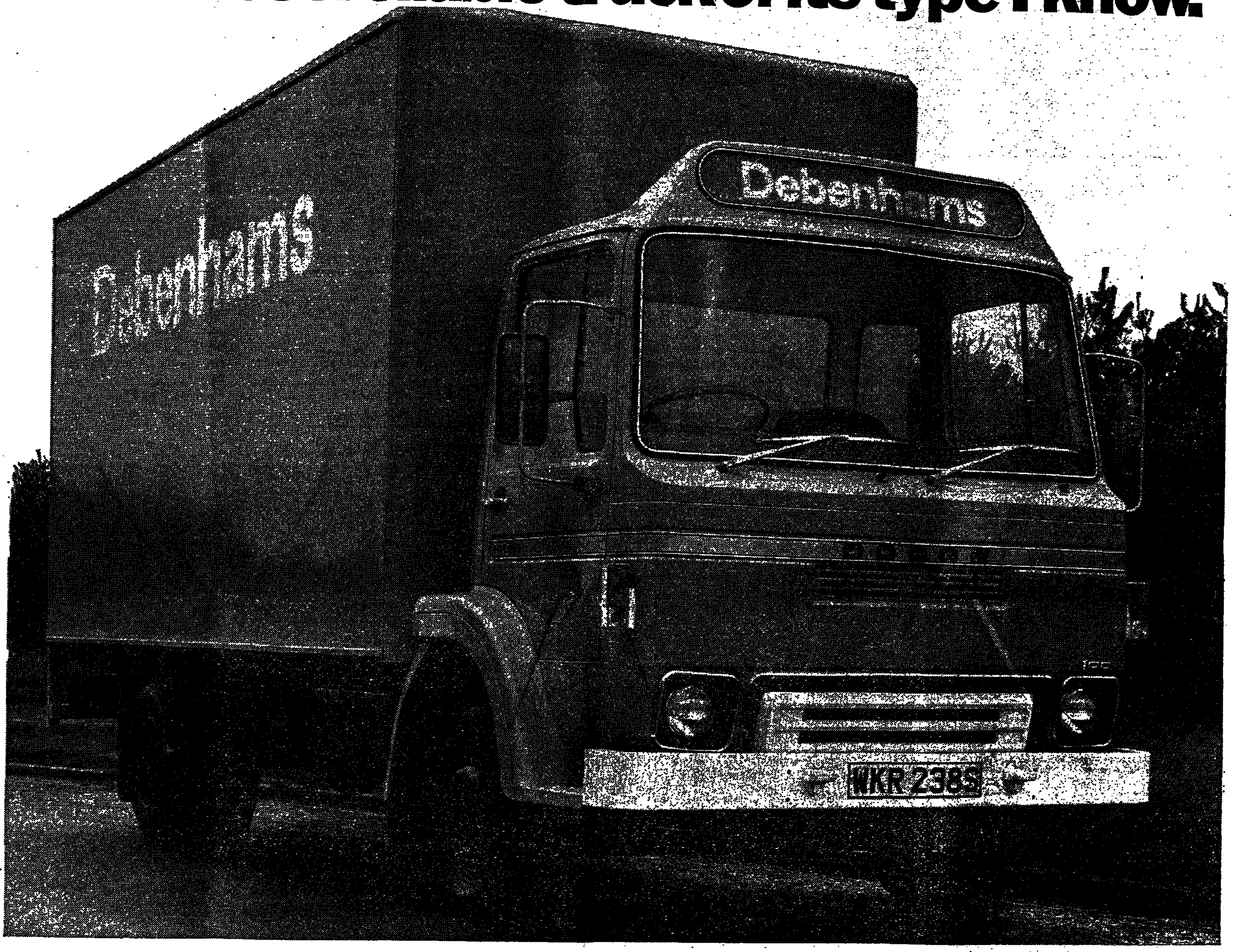
Called "Confer Alert," it will consist of a loose-leaf binder with data sheets for every conference that is at present on the database. Data will range from meetings that are planned for five to ten years ahead to the completed details of those that will be taking place in the immediate future.

Updates to existing sheets, and new sheets will be issued on a monthly basis. Automatically therefore subscribers will be alerted to newly announced events.

More from the IEE at Savoy Place, London WC2 0BL (01-240 1871).

DODGE COMMANDO G08

'The most reliable truck of its type I know.'



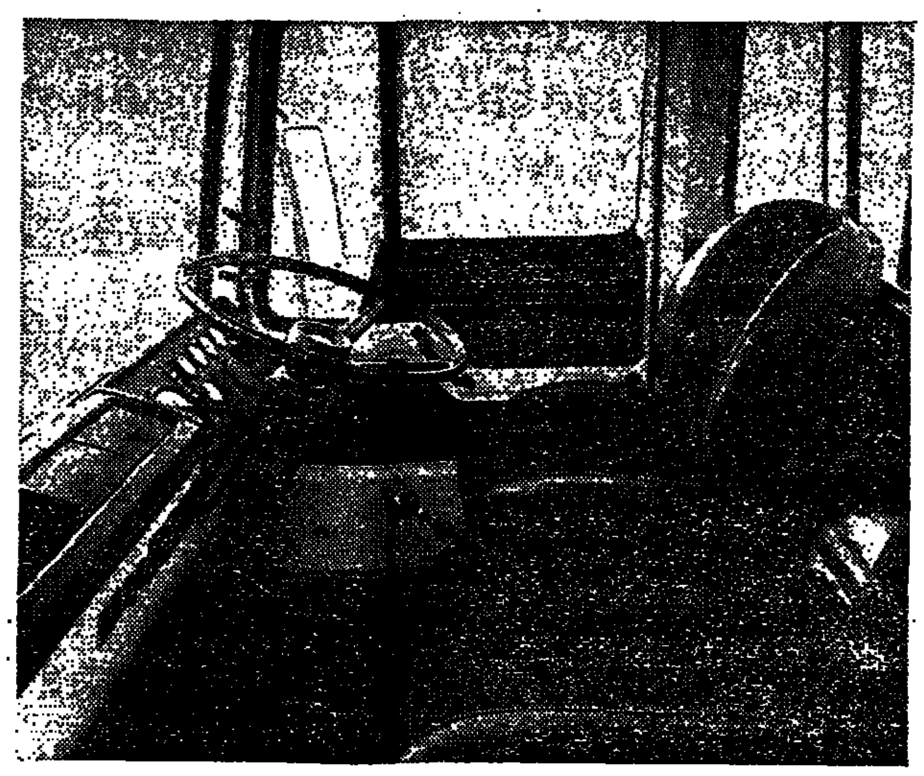
Lionel Tuson,
Group Transport Controller of Debenhams Limited, has this to say about the Dodge Commandos:

'We have over a hundred Dodge Commandos, about eighty of which are G08s. I chose them because they were the only 7.38 ton GVW trucks that met all our requirements and could accommodate a 1000 cu. ft. body without the need for chassis extensions.

'Since the introduction of Dodge Commandos, our operating costs have been reduced considerably. Their excellent reliability record is confirmed by the fact that time off-road has been reduced beyond all reasonable anticipation.

'We have over 90 operating centres which have to work to very tight budgets. Helped by the low maintenance costs of the Dodge Commandos, all have operated well within their targets.

'The Dodge Commandos have been good for Debenhams: apart from the fact that costs have been greatly reduced, the vehicles' smart, modern appearance reflects the company's image. And our drivers like them too. The cabs are well equipped and very comfortable.'



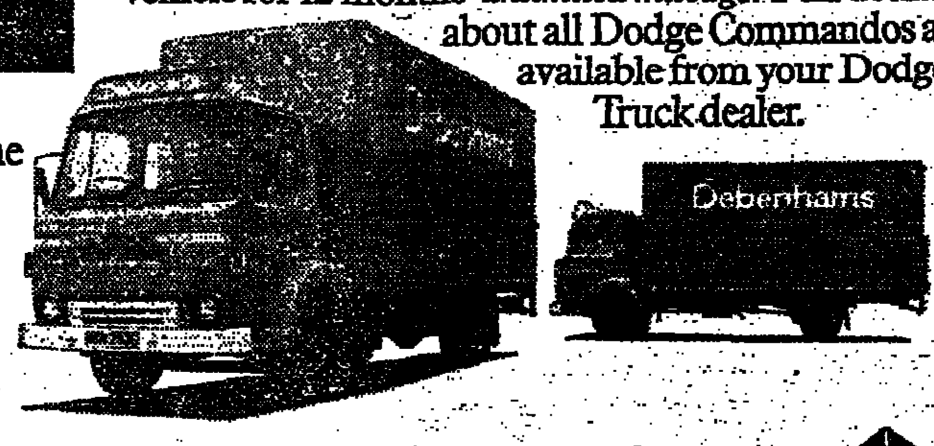
Not all operators need to make full use of a truck's maximum payload. It's space – sheer volume of carrying capacity – that they want from a non-HGV truck. And the Dodge Commando G08 gives them plenty.

As with all Dodge Commando rigids, the G08 offers a choice of wheelbases, driveline combinations and chassis options. The G08 wheelbases range from 120 inches to 159 inches.

Standard power unit is a Perkins 3.86 litre 4-cylinder diesel, developing an installed power of 77.5 bhp at 2,800 rpm. As an option, there's the Perkins 5.8 litre 6-cylinder diesel, with installed power of 101.7 bhp at 2,800 rpm. Naturally, there's a choice of gearboxes and axle ratios.

A very wide range of bodies can be fitted. The tilt cabs can be Hi-line or Lo-line, with a variety of features that enable you to have a cab that is right for you and your drivers.

All Dodge Commandos are backed by a comprehensive warranty package that covers the vehicle for 12 months' *unlimited mileage*. Full details about all Dodge Commandos are available from your Dodge Truck dealer.



Dodge Trucks

DODGEMANSHIP

Taking more care, to bring you better trucks and vans.

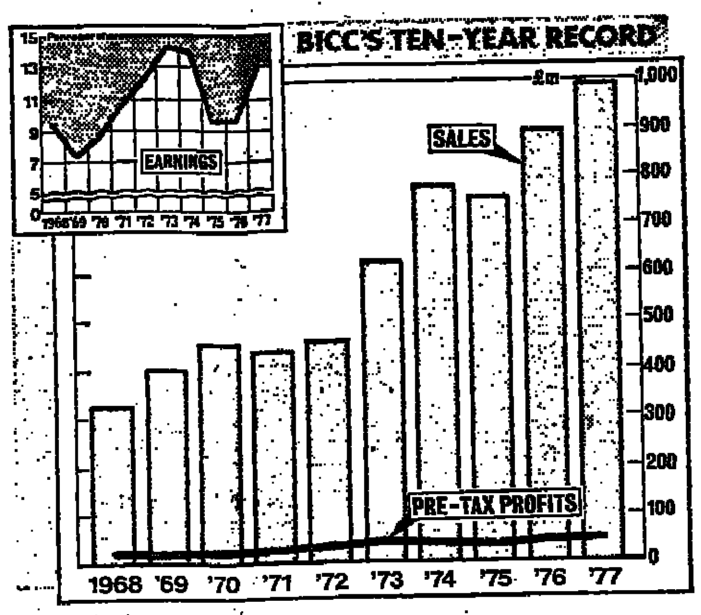
CHRYSLER UNITED KINGDOM

The Management Page

EDITED BY CHRISTOPHER LORENZ

Geoffrey Owen looks at the record of Britain's largest cable manufacturer and what the future holds in store

The dilemma of a cable maker: no 'cash cow' to milk



MOST large industrial companies like to have in their portfolio one or two solid, reliable businesses which, without ever setting the world on fire, generate a steady stream of cash year by year. Based on a strong and preferably dominant position in their markets, these subsidiaries also provide asset backing for the parent company's riskier and faster-growing activities.

A company which ought, in theory, to be in this happy position is BICC, one of the biggest British engineering groups. Cables is a mature industry in which BICC is the leading U.K. producer (and one of the largest in the world): the need for new capital is relatively small: and technology, except in certain types of telephone cable, is advancing only slowly.

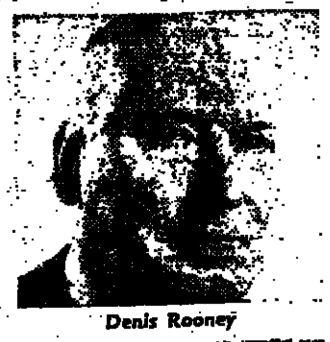
BICC is a successful exporter with an impressive network of overseas branches and affiliates. Yet the domestic cable business, far from being a "cash cow" available for financing other ventures, has not been producing profits on anything like the scale which the company's place in the market seems to call for.

The present management is determined to improve the profitability of the group. This means, among other things, less dependence on cables. But can BICC afford to diversify in a really major way until its core business in the U.K. is showing a better return?

The dilemma is not new, but it has become more acute in the last two or three years as the implications of a static or declining U.K. demand for cables were more clearly understood.

During the 50s and 60s the growth of BICC was based on rising demand for cables in the U.K.—from the Post Office and the electricity supply authorities—and on the development of overseas cable-making companies mainly in Commonwealth countries. The home market was largely the responsibility of Sir Ronald Fairfield, overseas that of Lord McFadzean. These two men, one as managing director and the other as chairman, dominated the company for some 15 years; Fairfield retired in 1971 and McFadzean gave up the chairmanship two years later.


C. H. Broughton Pipkin


Denis Rooney


Ian Hinton

Fairfield, a production engineer with a modern approach to management, imposed strict disciplines on the U.K. companies, establishing tight production standards and detailed management accounts. McFadzean, an accountant by training (and effectively finance director as well as chairman), was more of an entrepreneur, playing a prominent role in national campaigns to boost British exports while skilfully adding to BICC's interest in several key markets.

With one exception McFadzean's globe-trotting paid off handsomely for BICC. In the last few years, first under William Fraser (who ran the international side before taking over from McFadzean as chairman) and now under James McCleery, the overseas companies have been providing over half the group's pre-tax profits.

The exception was the U.S. In 1970 McFadzean negotiated the purchase of a 20 per cent. stake in General Cable Corporation, the largest independent cable producer. (Most American cable makers are owned by electrical groups or copper mining companies.) The idea was to form a technological link, especially in telecommunications, and to establish a stake in the American market.

Partly because of restrictions imposed by the anti-trust agencies, and partly because of a change of direction in General Cable itself, the partnership never got going. The American company has recently been lessening its stake in cables, selling its power cable division to Pirelli and acquiring two substantial electrical and electronics companies. Perhaps it was a mistake to have supposed that a 20 per cent. holding was enough to gain the presence in the U.S. which McFadzean wanted.

Even if the U.S. venture had succeeded, it would not, of course, have lessened BICC's dependence on cables. Most of its competitors in world cable markets are electrical groups like Siemens or parts of diversified industrial companies like Pirelli. That this was a source of some concern became evident during the period of the great electrical mergers of 1968-69.

When Plessey bid for English Electric—and before GEC made its counterbid—Lord McFadzean was attracted to the idea of a three-way merger between English Electric, BICC and Plessey. This would have provided a powerful counterweight to GEC and a logical home for BICC in a broadly based electrical and electronics group. But GEC, backed by the Government and the Industrial Reorganisation Corporation, moved too fast for the alternative plan to get off the ground.

A partial change of direction that did take place during the Fairfield-McFadzean era was the takeover of Power Securities in 1969. The background to the bid was the imminent completion of the electricity grid, in which the contracting arm of BICC and Power Securities' Balfour Beatty subsidiary had been deeply involved. The merger was seen partly as rationalisation, partly as an opportunity for gaining a bigger share of the world market, not only in electrification projects, but in civil engineering generally.

As it turned out, Power Securities had a number of trouble spots hidden away within it, notably the Tersons building subsidiary (which eventually had to be put into liquidation) and some loss-making contracts in Balfour Beatty. But now that these problems have been dealt with, BICC has no cause to regret the acquisition. In Balfour Beatty it has an internationally competitive engineering and contracting group with an order book of some £400m., only a small part of which has anything directly to do with cables; its target is to increase its profits in real terms by 10 per cent. each year.

The departure of Fairfield and McFadzean left something of a succession problem at the top of BICC. William Fraser was 62 when he took over from McFadzean. The present chairman, C. H. Broughton Pipkin, was 63 when he moved into the chairman's office at the beginning of last year. These management changes coincided with a growing realisation that BICC needed, if not a change of direction, a very hard look at its existing operations. Return on capital was too low and capacity in parts of the U.K. cable business was too large for the likely demand.

The first result of this reappraisal was Fraser's introduction of a new management structure, with effect from the beginning of 1975, which divided the group into four companies—BICC Cables, BICC International, BICC Industrial Products and Balfour Beatty. The main objectives were to decentralise the group, to strengthen and streamline the U.K. cable activities (for the first time the metals division was brought together with its principal customers, the cable factories) and to create in Industrial Products a nucleus for diversification.

There were several non-cable companies which had been languishing under the old structure but have now been encouraged to develop new products and new markets. Ian Hinton, 48-year-old chairman of Industrial Products, has his eye on several promising sectors; process control and instrumentation for coal mining is one example. In his acquisition policy he is going mainly for small and medium-sized companies in sectors related to those that he is already in: Dorman Smith, the switchgear and fuse company bought last year for £19m., was probably at the top end of the size range.

Profits of Industrial Products are rising fast, but from a low base; the impact on BICC as a whole can only be gradual. The progress of Hinton's companies in no way diminishes the urgency of making the U.K. cable business more profitable.

The main problem there is low voltage power cable, representing about a fifth of capital employed in U.K. cable-making; orders from the Area Boards are running at less than half the level of ten years ago. Critics say the company was far too slow to cut back capacity; last year's closure of the Renfrew plant was seen as a welcome sign of a more rigorous approach.

The company claims that after shutting several plants and concentrating low-voltage power cables at Wrexham (a well-equipped factory which exports nearly half its production) it has now achieved the necessary internal rationalisation. There is still surplus capacity in the industry and margins are depressed. This is a matter on which the Monopolies Commission, due to report on cables soon, may have something to say.

But apart from technical problems which have kept a new electrolytic refinery at Prescot out of action for several months, BICC's other U.K. cable companies, helped by exports, are said to be in reasonably good shape.

The results for 1977, announced last week, reflect a further improvement in this part of the group, but it will take another two or three years before it produces the profits and the cash of which it should be capable. In the meantime the senior executives at the top of BICC are impatient to get moving.

There is a view, expressed inside as well as outside the company, that the long history of the cable industry and the old habit of price-fixing agreements, has bred a certain defensiveness, an aversion to risk, among those brought up in the tradition; it is also said that BICC has been dominated by production men. Whether this is right or wrong the BICC Board is no longer dominated by cablemakers.

BREAKDOWN OF SALES AND PROFITS
(figures in £m.)

	1977 Sales	1977 Operating profit	1976 Sales	1976 Operating profit	1975 Sales	1975 Operating profit
Balfour Beatty	243.8	9.6	213.4	6.6	168.9	0.7
BICC Cables	375.9	14.0	320.1	12.3	271.1	10.4
BICC Industrial Products	82.5	5.5	63.7	2.4	53.0	1.8
BICC International	295.6	26.4	301.2	31.9	265.1	30.6
	997.8	55.5	898.4	53.2	758.1	43.4

Objectives

Hinton, chairman of Industrial Products, has not worked in cables for 20 years. Denis Rooney, chairman of Balfour Beatty, has spent his career on the contracting side. Other non-cable men include H. G. De Ville, who came from Ford in the mid-sixties to take charge of industrial relations, and Michael Julien, appointed finance director last year. Even the chairman, though a cable man, has spent most of his time on the commercial side of the business.

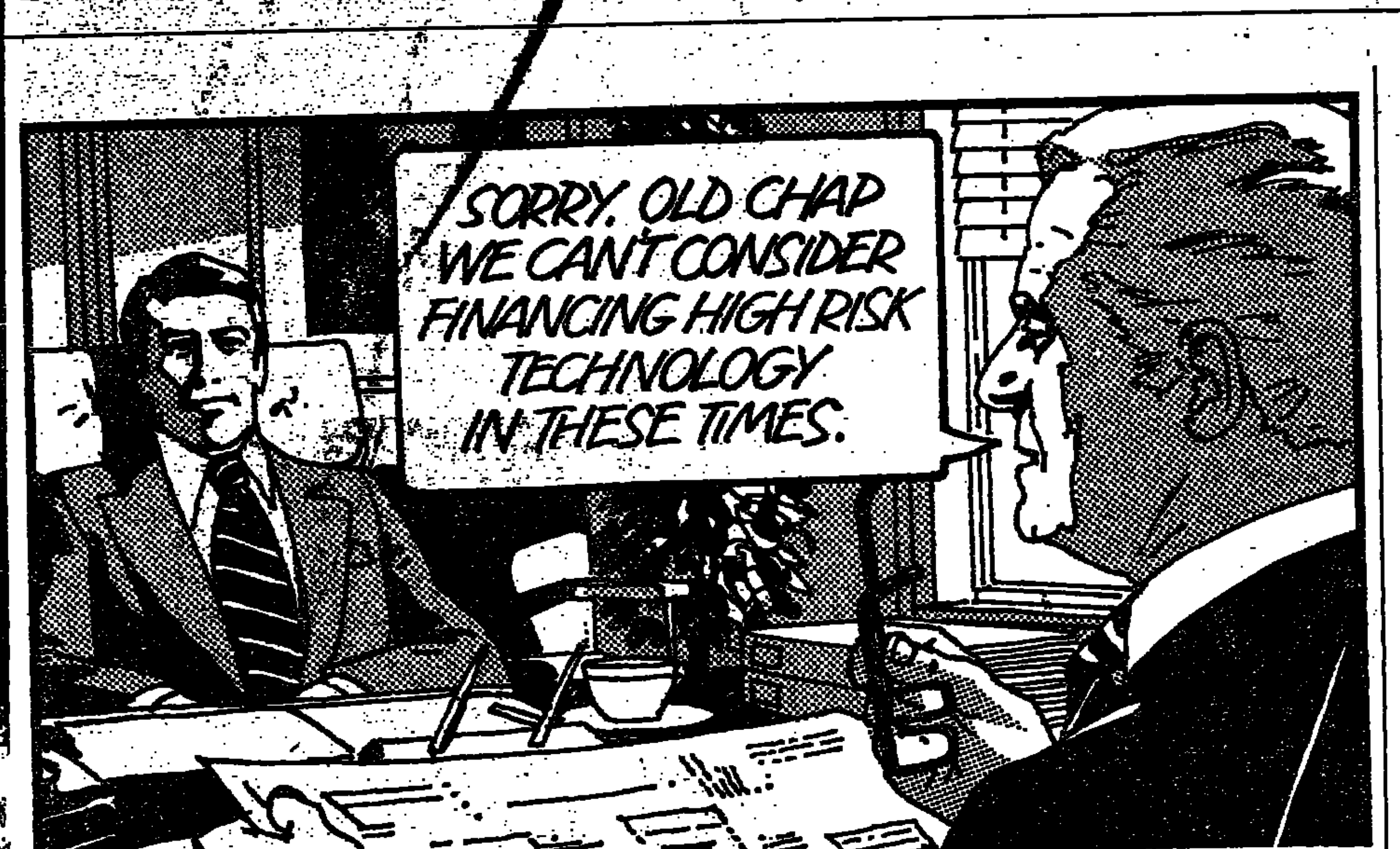
Broughton Pipkin has set himself three main objectives—to improve the profitability of the U.K. companies, to strengthen the senior management of the group, and to make further progress on diversification.

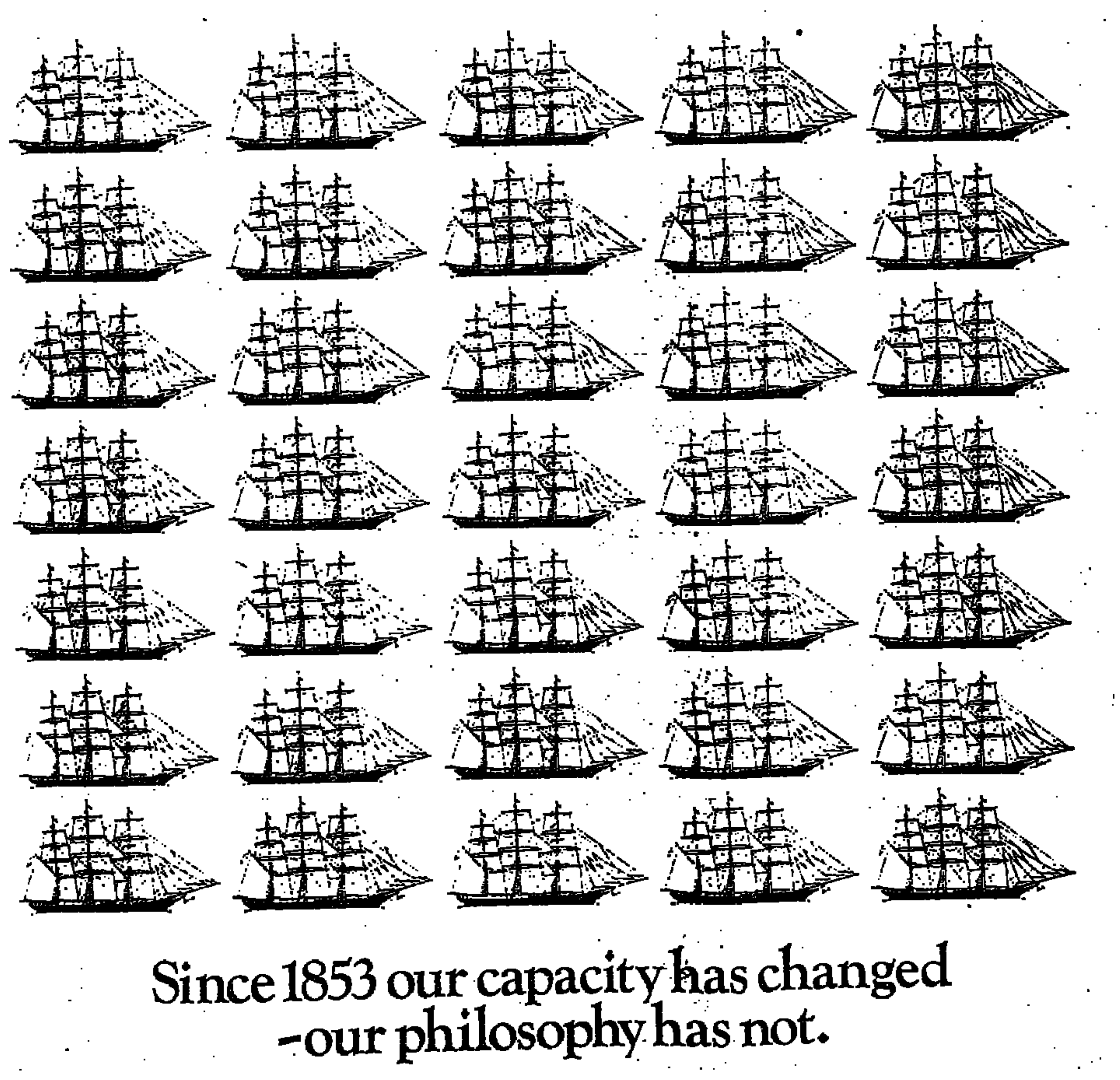
It is arguable that he needs more support at the centre. Although the heads of the four operating companies sit on the chairman's committee (together with Julien and De Ville) they are too preoccupied with running their own businesses to devote much time to group strategy; one obvious step would be to appoint a group managing director, a post which has been vacant since Broughton Pipkin became chairman.

The strategic question that has to be answered is whether, and if so how soon, BICC should attempt a change of direction. Should the group soldier on, improving the profitability of U.K. cables, patiently building up Industrial Products, continuing to develop Balfour Beatty and the overseas companies and perhaps doing something to sort out the U.S., so that in a few years' time it would be in a stronger financial position to make a large-scale bid? Or would this course of action mean that good opportunities which might arise in the next year or so would be ignored, to BICC's long-term detriment?

Given BICC's profit record and share price, any very large acquisition in the near future would probably have to take the form of a merger. Ideally such a merger should provide both a fifth leg (presumably in a field not too remote from BICC's present operations) and an injection of management talent; it should also make use of BICC's undoubted strengths, which include its asset base and its international sales and manufacturing organisation. But the merger terms might be more favourable if the company waited a few years.

Such a merger would have to be extraordinarily attractive, on financial, management and industrial grounds, to be seriously considered by BICC at the present time. Taking short cuts can be dangerous; the first priority must be to exploit the opportunities in BICC's existing business.





Sack

LOMBARD

Myths of the 1970 budget

BY PETER RIDDELL

AN EXPERIENCED Chancellor faces what will probably be his last spring Budget ahead of an early general election, after which he hopes to move to the Foreign Office and then perhaps to Number 10. He has seen the country through sterling crises, difficult negotiations with the IMF, an unprecedented series of deflationary packages, but now there is a current account surplus and he faces strong pressures for an expansionary Budget. However, the rate of increase in earnings is accelerating: read on . . .

The parallels with 1970 cannot, of course, be taken too far. But the memories of 1970, or rather the myths which have been built up around Mr. Roy Jenkins' final Budget and its influence on the subsequent election lost by Labour, have undoubtedly been a powerful influence on Mr. Healey's thinking as he has shaped this afternoon's statement.

Handicap

Mr. Healey is an ambitious man "so are they all honourable men" —and clearly wants to avoid the damaging reputation which Mr. Jenkins has in Labour folklore as the man who lost the election because of his cautious Budget. Mr. Jenkins' failure to obtain the Labour leadership can be attributed to many other factors but the 1970 Budget was an important initial handicap.

But how fair is this view? Mr. Jenkins' Budget was certainly cautious as he resisted pressures for large-scale expansion because of concern about the balance of payments and in face of Treasury forecasts indicating an above trend growth rate of the economy on existing policies. He announced tax cuts producing a revenue loss of less than £200m. in a full year, and after taking account of other factors the overall fiscal impact was neutral. At the time the Budget was regarded as an economist's rather than a politician's one.

The apparent political impact of the Budget was the reverse of what is popularly supposed. Just a week before the statement county elections in England and Wales showed no change from the disastrous year for Labour in 1967 and psephologists translated this into a 7 per cent. poll lead for the Tories. However, two weeks after the Budget an opinion poll showed Labour ahead for the first time since March 1967 and the municipal elections in early May showed a sharp Labour recovery. This was confirmed by evidence of a significant Labour lead in the polls which led to the decision to hold the June election.

Impact

It would be wrong to draw too many conclusions from this narrative. But the comparisons of the county and municipal elections results, less than a month apart, suggests that the Budget at least did not damage Labour's electoral standing and may have helped.

The contrary argument is that a neutral Budget may have had a neutral political impact but what was required, at least electorally, was a more positive vote-winning package. On this view what Mr. Jenkins failed to do was to provide anything to excite Labour supporters and attract back apathetic party workers after the disillusioning experiences of 1967-69.

The budget did not succeed in this sense, as a lot of Labour workers did not turn out and the traditional Labour support was eroded. So while the simplified version of the myth about the Jenkins Budget losing the election for Labour is misleading, the budget was not as much of a vote-winner as it might have been. And this is what counts in myth-making.

Flexibility

Ironically, most economists would now regard the Budget as correct if only because inflationary pressures were then building up strongly. However, Mr. Healey is likely to be more concerned with the myths. And he has rather more flexibility than Mr. Jenkins had eight years ago.

The Treasury has been engaged in a skilful propaganda exercise in the past couple of months in trying to reduce expectations about the size of the Budget "handout" following the large figures quoted in early January. Consequently Mr. Healey will try and appear "generous" by this yardstick and by comparisons with the last few years, while keeping to "responsible" monetary and other guidelines. He has however, yet to prove that it is possible to satisfy both the voters and markets at the same time.

A return to stability in Bordeaux

WINE

BY EDMUND PENNING ROWSELL

IN VIEW OF the crisis that numbed the Bordeaux wine trade from 1973 to mid-way through 1976, it is surprising to learn now that the following twelve months produced record figures, particularly for exports. A total of just over 3m. hl. was despatched, compared with 2.7m. hl. during the previous "wine year," or, as it is known in France, the "campaign year," which runs from September 1 to August 31. If the *non-appellation contrôlée vins de consommation courante* are counted in, 5.36m. hl. left the growers' cellars, almost equivalent to the near-record 1976 vintage that totalled 5.5m. hl.

Exports rose from a fraction under 1m. hl. in 1975-76 to 1.4m. hl. and the value increased from Frs.701m. to Frs.984m. No doubt the increase in value partly reflects price inflation, but the quantity disposed of—and these figures represent only amounts actually shipped out of the Gironde—were formidable, and far more than in pre-slump years.

Stock position

These statistics are taken from the recently issued annual report of the Conseil Interprofessionel du Vin de Bordeaux (CIVB), the trade body that includes growers and merchants throughout the area. Although its statistics deal principally with the 1976/77 campaign year, the full figures for the 1977 vintage are also given. Combined, the two sets of tables, provide a record of the overall stock position in the Gironde, when the growers have the new wine in their cellars, as well as the stocks as returned at August 31. This year, for the first time a return of merchants' stocks is also given, but since this is an end-of-calendar year total, it is not on all fours with the growers' figures. As might be expected, the merchants carry far less stock than is held at the properties—about 1m. hl. of AC red bordeaux and less than a quarter of a million AC white bordeaux, compared 4.46m. hl. of red and 1.22m. hl. of white in the growers' hands.

The most important deduction from these figure is that there is now less stock of wines in the Bordeaux region than since the last boom year of 1972-73. This is partly accounted for by the increased volume of sales, including the non-appellation table wines that cannot bear any territorial ascription on the label; but much more by the exceptionally small 1977 vintage. Only 1.29m. hl. of AC red bordeaux was made, compared with 2.45m. hl. in 1976—the smallest crop since 1971. But the AC white wine harvest at 686,000 hl. was the least since 1945. Moreover the total of *vin de consommation courante* was only 507,000 hl., as against just on a million hl. a year earlier. The average yield per ha. througnout the Gironde was only 25.4 hl., not much above one *tonneau* (100 dozen bottles) an acre, or half the normal.

What are the implications of these figures? First, obviously, that the Bordeaux trade is in much better shape than for some years, especially the small growers who always suffer most in a slump, and the merchants, whose troubles have been more widely publicised. Secondly, prices have risen and are likely to continue to do so. However, 18 months ago the CIVB took steps to reduce the wild swings in price that have so harmed Bordeaux in the past. They fixed maximum and minimum prices for all the generic appellations, from Bordeaux Rouge and Bordeaux Blanc upwards. For example, the upper and lower prongs of the "fork" for Bordeaux Rouge were first fixed at 2,500 frs. and 2,000 frs. per *tonneau*. In face of a rising market this soon proved too low, and for the current year the middle figure is 3,500 frs. All contracts have to be registered with the CIVB, so minor transactions apart there is some stability in the market; and what happens at the generic level influences prices higher up the long list of Bordeaux appellations, at the top of which stand the *crus classés*.

Whether prices will go much higher in the next year or two depends very much on the quantity and to a rather less extent on the quality of this year's vintage. Of course, a wash-out as in 1968, would be disastrous, but the basis of Bordeaux's business is in generic wines, which account for more than half the total AC crop, and which within France broadly represent Bordeaux on the shelves of the supermarkets and the grocery shops. What is needed this year is a reasonable quality harvest of 2m. hl red AC. and 1½m. white AC.

A more personal vintage and market report issued every year comes from Sichel and Co., of Bordeaux, and is written by Mr. Peter Sichel. The Bordeaux house is best known here for its association with Ch. Palmer and Ch. Angludet, though both are independent of the firm. Sichel points to the lack of stocks of the superior chateau wines. "There seems to be little stock available of vintages older than 1974, which have increased in value by a comfortable 20 per cent. since they came on the market. They are good wines at reasonable prices for those looking for wines to drink up to 1985 or so. Those who backed the 1975s did well financially and those who did not have missed the boat. They are now expensive, but the best are worth it. At the same time 1976s have also been rewarding for those who bought early but are still readily available at prices only just higher than the 1974s and well below the 1975s."

An interesting new factor, revealed in the CIVB report, is the increasing amount of fine red bordeaux bought for consumption inside France. At one time the *crus classés* of good vintages were nearly all sold abroad—and historically the first-growths nearly all came to Britain, whereas now they mostly go to the U.S. The well-set-out CIVB statistics give a breakdown of the destinations of the wines of all the important appellations, divided between home and export trade. The latest figures show a much higher-than-ever-before domestic demand for the superior ACs, from Médoc and St. Emilion (including classed growths) to the single-commune appellations of Pauillac and St.-Estèphe. As happened with champagne in 1973-76, when the demand abroad faltered, French consumers took up the slack.

Before concluding, however, that this is a permanent trend, one caveat must be entered. As already mentioned, these CIVB statistics concern actual physical movements of wine, not business done. Though the generic wines usually leave the Gironde when very young, this is not so with the superior qualities that remain to be chateau-bottled or shipped in bulk when ready for bottling. So the successful 1975s and 1976s, which have been widely bought abroad, especially the former, have not yet been reported, nor those 1974s still held in Bordeaux as mentioned by Sichel. When these are shipped the relationship between French and foreign demand will be clearer.

British demand

Meanwhile, it is gratifying that British demand picked up in 1976-77. In volume we imported 165,000 hl. compared with 118,000 hl. in 1975-76, and the value rose from Frs.94m. to Frs.126m. In quantity we were third to Germany, overwhelmingly concerned with cheap white bordeaux, and, more surprisingly to Belgium, which heads the list in money terms, her imports having jumped from Frs.154m. in 1975-1976 to Frs.240m. last year. Second in value came the U.S. with Frs.200m. That we in Britain are still buying down is shown by the continued fall in the last four years of the average price per litre paid for wine shipped in bottle, which now accounts for 60 per cent. of all we import. However, if Bordeaux prices keep reasonably stable there would now seem to be a fair wind between the Gironde Estuary and the English Channel.

North Stoke injures tendon

RACING

BY DOMINIC WIGAN

JOHN DUNLOP, whose Balmerino might have won last year's Prix de l'Arc de Triomphe at Longchamp if Ron Hutchinson had not laid much too far out of his ground behind Alleged, reports that North Stoke may not race again.

The Northfields colt, an 820 gns. yearling purchase for whom an offer reported to be more than £½m. was turned down after his scintillating victory in Ireland's Joe McGrath Memorial Stakes, has torn his off hind tendon in a mishap on the Arundel gallops.

Dunlop, who had hoped to lift the Joe Coral Eclipse Stakes with North Stoke said yesterday that the colt "will not see a course for three months at the very least."

North Stoke, a rangy, good-looking sort whose illustrious young sire has already been responsible for Oats, Northern Treasure, Nanticious and the winners (through only three crops to race) of more than £300,000, is certain to be in tremendous demand as a potential sire.

To-day, racegoers and off-course backers have a wide choice for a week-day, with flat racing at Wolverhampton and jumping meetings at Hereford and Plumpton.

Neither the jackpot-supported Wolverhampton card nor Hereford's bumper programme appear to offer any particularly worthwhile prospects and backers may do best to concentrate on the Sussex course.

Here, both Nampara Cove in the afternoon's feature hurdle, the Playboy Bookmakers' Handicap, and Jack Madness appeal as sound bets.

Nampara Cove should need only to reproduce the form which saw him comfortably accounting for Roundtown in Fakenham's General Refrigeration Hurdle to take advantage of the 11 lb he receives from the runner-up's stable companion, Staccato.

Jack Madness has been a little disappointing of late, but if back to his best will add another to Mr. George Sloan's tally in the Southover Novices' Hurdle.

PLUMPTON

2.45—My Captain
3.15—Nampara Cove***
3.45—Rough and Tumble
4.15—Jack Madness**

WOLVERHAMPTON

2.15—Mary's Bazaar
2.45—Buchanan
3.15—Stout Fello*
4.15—Loong Koi

HEREFORD

3.00—Gentle Rose
4.00—Merry Boy

Knott out

ENGLAND wicketkeeper Alan Knott, a Kerry Packer player, will not play for Kent this season. The club and Knott said in a joint statement yesterday that the decision had been agreed mutually "in the interests of Kent cricket."

TV/Radio

† Indicates programme in black and white.

BBC 1

6.40 a.m. Open University. 11.18 Going to Work. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Ragtime. 2.50 Trem. 3.15 Nationwide Budget Special; News, comment, summaries and expert analysis.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide Budget Special.
6.30 The Crowded Sky.
7.40 It Ain't Half Hot Mum.
8.10 The Standard.
9.00 News.
9.25 The Budget: The Chancellor of the Exchequer for the Government.
9.35 Pennies From Heaven.
11.00 To-night.
11.40 Parents and School.
12.05 a.m. Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—5.55-6.20 p.m. Wales To-day. 6.50 Heddiw. 7.20 Cartoon Time. 7.40-8.10 Teithi'r Tir. 12.05 a.m. News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 7.40-8.10 The Good Life. 11.40 History Is My Witness. 12.15 a.m. News and Weather for Scotland.

Northern Ireland—5.55-6.20 p.m. Scene Around Six. 12.05 a.m. News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
2.15 p.m. Other People's Children.
2.30 Having a Baby.
3.55 Play School (as 11.00 a.m.).
4.20 Dastardly and Muttley in their flying machines.
4.30 Take Hart.
4.50 Paddington.
4.55 Open University.
7.00 News on 2 Headlines.
7.05 On the Rocks.
7.30 Newsday.
8.05 The Event Horse (documentary).
9.00 Rhoda.
9.25 The Man Alive Report.
10.15 Poems and Pints.
10.40 Late News on 2.
10.50 The Budget: The Chancellor of the Exchequer for the Government.
11.00 The Old Grey Whistle Test.
11.40 Closedown: Jill Balcon reads "Brumana." by James Elroy Flecker.

LONDON

9.30 a.m. Beany and Cecil Cartoons. 9.40 Ticko. 10.05 To The Wild Country. 10.55 Boney. 11.45 Oscar. 12.00 Paperplay. 12.10 p.m. Rainbow. 12.30 A Fair Chance. 1.00 News plus F.T. index. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.30 To-day Mexico —To-morrow the World. 3.00 Budget '78. 5.15 The Brady Bunch.

5.45 News.
6.00 Thames at 6.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 Rising Damp.
8.30 Armchair Thriller.
9.00 Wilde Alliance.
10.00 News.
10.30 The Budget: The Chancellor of the Exchequer, Denis Healey, MP, for the Government.
10.40 The Cerro Torre Enigma.
11.25 Man and Woman.
11.55 The Andy Williams Show.
12.25 a.m. Close: Christopher Cazenove reads poems by Thom Gunn.

All IBA regions as London except at the following times:

ANGLIA

9.40 a.m. Feature Film: "The Finest Hours." 11.30 Showcase. 1.25 p.m. Anglia News. 2.00 Houseparty. 2.30 Emmerdale Farm. 5.15 Survival. 6.00 About Anglia. 7.00 Challenge of the Sexes. 7.30 Get Some In. 11.25 Quincy. 12.25 a.m. Christians in Action.

ATV

9.45 a.m. To See Or Not. 10.00 Morning Matinee: "Melba" starring Patrice Munsel. 11.50 Professor Balthazar. 1.20 p.m. ATV Newsdesk. 2.30 Indoor League. 5.15 Laverne and Shirley. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Cuckoo Waltz. 11.25 Gibbsville.

BORDER

9.35 a.m. Clue Club. 10.00 Film: "The Prince Who Was A Thief" starring Tony Curtis. 11.20 The Entertainers. 11.45 Oscar and the Great Wooferoo. †1.20 p.m. Border News. 2.00 Houseparty. 2.0 Stars on Ice. 5.15 Out of Town. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 7.30 Get Some In. 11.25 Baretta. †12.20 a.m. Border News Summary.

CHANNEL

1.18 p.m. Channel Lunchtime News and What's On Where. 2.30 The Electric Theatre Show. 5.15 The Flintstones. 6.00 Report at Six. 7.00 Treasure Hunt. 7.30 Charlie's Angels. 10.28 Channel Late News. 10.32 Life in France. 11.55 Oscar Peterson Presents Count Basie and Joe Williams. 12.20 a.m. Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.55 a.m. First Thing. 10.00 Feature Film: "Gulliver's Travels." 11.20 The Entertainers. 11.45 Oscar and the Great Wooferoo. 1.20 p.m. Grampian News Headlines. 2.30 Emma. 5.15 Andy Irvine at the Embankment. 6.00 Grampian Today. 6.35 Country Focus. 7.00 Emergency. 11.55 Reflections: Maud Lewis—a World Without Shadows.

GRANADA

9.30 a.m. Voyage to the Coral Sea. 10.15 Harriet. 10.40 The Stationary Ark. 11.15 The Beatles. †11.25 Mister Ed. 11.50 A Handful of Songs. 1.20 p.m. This Is Your Right. 2.30 "Les Bicyclettes de Belsize." 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Bionic Woman. 11.55 Drive-In.

HTV

†10.00 a.m. "The Ghost Goes West" starring Robert Donat. 11.20 The Entertainers. 11.45 Oscar and the Great Wooferoo. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 2.30 Galton and Simpson Playhouse. 5.15 Ten Times Empty. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 7.00 The Bionic Woman. 11.25 Police Woman.

HTV Cymru/Wales—As HTV General Service except. 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 6.00-6.15 Y Dydd. 7.00 Sweet and Soothing. 7.15-8.00 The Cerro Torre Enigma. †10.40 Yn Ddeg Oed. 11.00-12.25 a.m. Celebrity Squares.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

10.00 a.m. The Adventures of Pip and Thady. 10.10 "Tarzan and The Valley of Gold." 11.45 Oscar and the Great Wooferoo. 1.25 p.m. News and Road Report. 2.30 Emma. 5.15 The Practice. 6.00 Scotland Today. 6.30 What's Your Problem. 7.00 Emmerdale Farm. 7.30 Get Some In. 11.25 Late Call. 11.30 Within These Walls.

SOUTHERN

9.35 a.m. Skippy. †10.00 "Heavens Above" starring Peter Sellers. 1.20 p.m. Southern News. 2.00 Houseparty. 2.30 Survival. 5.15 Adventures in Rainbow Country. 6.00 Day by Day including Southsport. 7.00 Emmerdale Farm. 7.30 Get Some In. 11.25 Southern News Extra. 11.35 Drive-In. 12.05 a.m. Police Surgeon.

TYNE TEES

9.25 a.m. The Good Word followed by North East News Headlines and Weather. 9.30 Cartoon. †9.40 Movie Matinee: "I'm Alright Jack." 11.20 The Entertainers. 11.45 Oscar and the Great Wooferoo. 1.20 p.m. North East News and Lookaround. 2.30 The Brady Bunch. 5.15 Friends of Man. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Get Some In. 11.25 Police Surgeon. 11.55 Epilogue.

ULSTER

10.10 a.m. Tree Top Tales. 10.20 Sesame Street. 11.20 The Entertainers. 11.45 Oscar. 1.20 p.m. Lunchtime. 2.30 Emma. 2.58 Ulster News Headlines. 5.15 Friends of Man. 6.00 Ulster Television News. 6.05 The Flintstones. 6.30 Reports. 7.00 Emmerdale Farm. 7.30 Get Some In. 11.25 Gardening Today. 11.55 Bedtime.

WESTWARD

9.40 a.m. Look and See. †9.50 Feature Film: "Lucky Jim" starring Ian Carmichael and Terry-Thomas. 11.20 The Entertainers. 11.45 Oscar and the Great Wooferoo. 12.27 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 The Electric Theatre Show. 5.15 The Flintstones. 6.00 Westward Diary. 7.00 Treasure Hunt. 7.30 Charlie's Angels. 10.28 Westward Late News. 11.55 Oscar Peterson presents Count Basie and Joe Williams. 12.20 a.m. Faith for Life.

YORKSHIRE

9.30 a.m. Search for the Super. 10.25 The Undersea Adventures of Captain Nemo. 10.30 Showcase. 11.00 Tulip Fiesta. 11.30 The Electric Theatre Show. 1.20 p.m. Calendar News. 2.30 Stars on Ice. 5.15 The Mary Tyler Moore Show. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Get Some In. 11.25 Drive-In.

RADIO 1 247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 11.31 Paul Burnett including 12.30 p.m. Newsbeat. 2.00 Tony Blackburn. 4.32 Dave Lee Travis including 5.30 Newsbeat. 7.00 Folk 78 (joins Radio 2). 10.02 John Peel (S). 12.00-2.02 a.m. As Radio 2.

VHF Radios 1 and 2—5.00 a.m. With Radio 2, including 1.55 p.m. Good Listening. 10.00 With Radio 1. 12.00-2.02 a.m. With Radio 2.

RADIO 2 1,500m and VHF

5.00 a.m. News Summary. 5.02 Ray Moore with The Early Show (S) including 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 3.02 John Dunn's Budget Special (S) news and analysis, including 3.45, 4.45 and 5.45 Sports Desk. 6.30 Waggoners' Walk. 6.45 Sports Desk. 7.02 Folk 78 presents The McCalmans in concert (S). 7.30 On The Third Beat (S). 8.02 Hubert Gregg at The London Theatre. 9.02 Among Your Souvenirs (S). 9.55 Sports Desk. 10.02 Three in a Row. 10.30 It's a Funny Business says Arthur Askey. 11.02 Sports Desk. 11.05 Brian Matthew introduces Round Midnight, including 12.00 News. 2.00-2.02 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

†Medium Wave only

†6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Mendelssohn (S). 10.00 Holiday Special (S). 10.20 Brahms and Ravel piano recital (S). 10.55 Songs and String Quartets (S). 12.00 Midday Concert, part 1: Strauss, Mendelssohn (S). 1.00 a.m. News. 1.05 The Arts Worldwide. 1.20 Midday Concert, part 2: Brahms (S). 2.05 A Little Light Music (S). 3.05 Haydn and Mozart String Quartets (S). 3.55 Youth Orchestras of the World (S). 5.15 Jazz Today (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: Work and Training. 7.30 Cherubini chamber music (S). 8.00 Celibidache Conducts the LSO, part 1: Verdi, Hindemith (S). 8.50 A Year of Edmund and Fanny (talk by Virginia Browne). 9.00 Celibidache Conducts the LSO part 2: Prokofiev (S). 9.45 The Ring and the Book. 10.30 A Hindemith Organ Concerto (S). 10.50 Haydn and Beethoven piano recital (S). 11.25 News. 11.30-11.35 Tonight's Schubert Song (S).

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.15 a.m. News. 6.17 Farming Today. 6.35 Up to the Hour. 6.52 (VHF) Regional News. 7.00 News. 7.10 Today. 7.35 Up to the Hour (continued). 7.52 (VHF) Regional News. 8.00 News. 8.10 Today. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 On Location. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Thirty-minute Theatre (S). 11.35 Profile. 12.00 News. 12.02 p.m. You and Yours. 12.20 Desert Island Discs. ‡ 12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 News. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Budget Special including 3.15 Questions to the Prime Minister. 3.30 The Chancellor's Budget Speech "live." 4.15 Reactions, news, summaries. 5.55 Weather, programme news (VHF) Regional News and Weather. 6.30 Just a Minute (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Kaleidoscope. 8.00 Celibidache conducts the LSO (as Radio 3) (S). 9.59 Weather. 10.00 The World Tonight: News—The Budget. 10.30 Not Now, I'm Listening Again. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 a.m. News.

VHF—6.15-8.35 a.m. With Medium Wave. 8.35 News Headlines, weather, papers, sport. 8.45 The Glums. 9.00-3.05 p.m. With M W. 3.05 Hermsprong (S). 4.00 News. 4.05 Gardeners' Question Time. 4.30 News. 4.35 Story Time. 5.00 News. 5.05 Mr. Laurel and Mr. Hardy (a tribute). 5.30 News. 6.00-close: With M W.

BBC Radio London

206m and 94.9 VHF

5.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 News Extra. 9.20 London Live. 12.03 In Town. 12.03 p.m. Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 In Town (as 11.03 a.m.). 8.30 All That Jazz. 10.03 Late Night London. 12.00 As Radio 2. 12.05 a.m. Question Time from the House of Commons. 1.00-close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

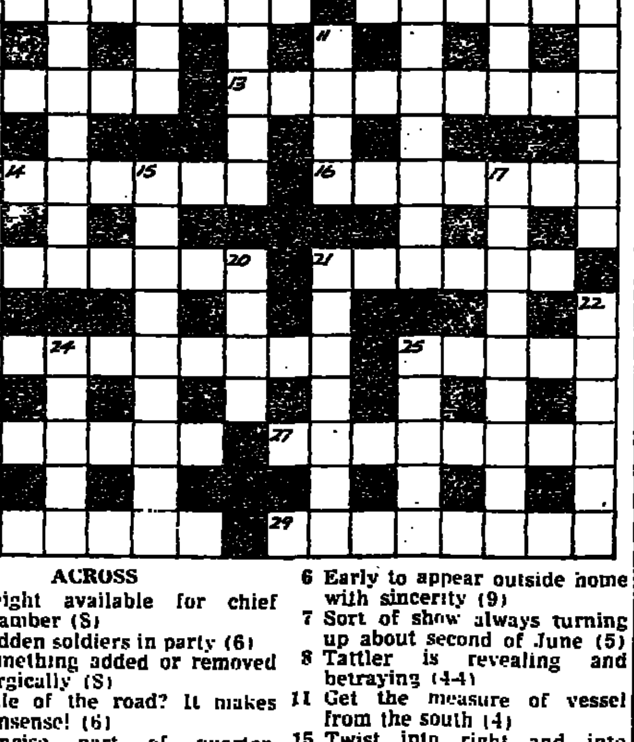
5.00 a.m. Morning Music. 6.00 A.M.: non-stop news, travel, sport, reviews, information. 10.00 Brian Hayes phone-in. 1.00 p.m. LBC Reports including George Gale's 3 O'clock Call. 8.00 After 8 with Ian Gilchrist. 9.00 Nightline. 1.00-5.00 a.m. Night Extra with Adrian Scott.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 p.m. Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Your Mother Wouldn't Like It with Nicky Horne (S). 11.00 Tony Myatt's Late Show (S). 2.00 a.m. Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,639



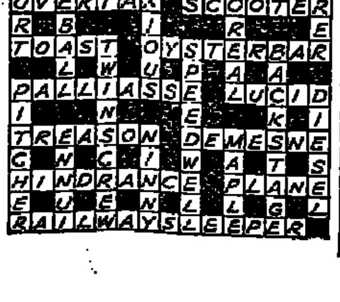
ACROSS

1 Height available for chief chamber (8)
5 Hidden soldiers in party (6)
9 Something added or removed surgically (8)
10 Rule of the road? It makes nonsense! (6)
12 Concise part of quarter-sessions (5)
13 Instrument with which to perform? (9)
14 Mixed gin and it with enthusiasm to start with and fire (6)
16 Note from ancient city in South African province (7)
19 Got up to race with Oriental as a favour (7)
21 When socialists demonstrate and cry for help (6)
23 Decide to hinder colliery (9)
25 Old Saint is quite a herb (5)
26 Turn north-east and follow settlement (6)
27 Fish that may be straying (5-3)
28 Money for story book or special gift (6)
29 To trick partisan may be deliberate (8)

DOWN

1 Where there may be fire and and gas above-ground (6)
2 When father raised sugar plant (9)
3 Get up about noon initially and wash (5)
4 Opening for other ranks if on the rocks (7)
6 Early to appear outside home with sincerity (9)
7 Sort of show always turning up about second of June (5)
8 Tattler is revealing and betraying (4-4)
11 Get the measure of vessel from the south (4)
15 Twist into right and into wrong (9)
17 Confident when sure to be in the red (9)
18 Inclination to die within allowance (8)
20 Time to get up and send out (4)
21 Eminent conductor or unusual master to love (7)
22 Soft course for an actor (6)
24 Drink with a learner, that's what it adds up to (5)
25 Extra payment that is good in Paris to you and me (5)

Solution to Puzzle No. 3,638



هكذا من الأصل

Fine Art

The Sack of Warwick Castle

By DAVID PIPER, Director, Ashmolean Museum, Oxford.

A decade ago, wondering whether to move from a national (Civil Service) museum to a university one, I sought the view of a *fellow* civil servant. He thought that I might find academic red tape both more complex than civil service red tape, and needful of "a much defter *footwork.*" In a sense this has proved correct, but I believe that even a University and its Colleges would be hard put to it to produce non-decisions of *the order that* Government and Civil Service breed when confronted by the problems of saving the national heritage.

In October Mrs. Shirley Williams announced that an extra £1m. would be available to help towards the preservation of the national heritage. Splendid. Not *enough, of course,* a penny's tinkle against costs of likely salvage operations. But something *positive.* Almost immediately, on November 11, the Reviewing Committee *on* the Export of Works of Art recommended the suspension for six *months of an export licence* for two paintings by Canaletto of Warwick Castle, making a deadline of May 11. Birmingham City Museum and Art Gallery, and the Ashmolean at Oxford, had already registered interest in them: although expensive, £275,000 each, they might be possible salvage if some element of the extra £1,000,000 were made available. Despite various urgent inquiries from the two Museums, no clear answer was forthcoming until a letter arrived from the Director *of the Victoria and Albert* Museum, received on March 16: He had just been enabled by the Government to authorise a grant of 50 per cent., from the Government - funded Purchase Grant Fund that he administers for the benefit of provincial *museums, but equal to the cost* of half of one only of the paintings.

That left less than two months for the two museums, first, to discover which of them had the best chance of realising £137,500 *to match* the Government offer, and, second, for the best-placed one to claim the grant and to realise the matching half. The announcement of the extra mil*lion, plus a refusal to* say how it would apply, had effectively *stopped* the two museums from setting up appeal campaigns for over four months: any appeal *for* large *sums,* that palpably doesn't know how much it is appealing for, must both lack conviction and appear ineffectual if not disingenuous.

By the end of March, it was clear that Birmingham's potential resources outweighed the possibilities open to the Ashmolean; the Ashmolean accordingly but sadly abandoned both the bid for the 50 per cent. grant, and any approaches to charitable trusts that could conflict with those from Birmingham. If anyone wants to give one of the Canalettos outright to the Ashmolean, the Asmolean will be very grateful *of course — and* that offer is open to the Government too— but lesser bets should be put on Birmingham's success by May 11.

The *two Canalettos* in question were painted of Warwick Castle and for Warwick Castle by the great Venetian view-painter during his English sojourn, about 1749: one of the east front of the Castle, seen from outside, one from inside, back and front *almost of* the *same* painting. Canaletto was tending to overproduction long before he came to England, and *his level* of quality is uneven, but these two paintings are among the half-dozen best that he did in England, and they rank on a par *with his finest work of any* period. They are enchanting, almost *bewitched mid-18th cen*tury visions of one of the great English monuments of medieval military picturesque.

They show that towery, crenel*lated,* machicolated silhouette almost as it still is to-day on its scarp above the Avon, but under a serene summer sky that may owe something to Venice as well as to Warwickshire, and peopled with elegantly costumed, delicately gesturing, characters as if from some comic opera of genius—splashes of vivid colour against the green grass, the greyish walls under that blue sky.

Warwick is of course one of the major picturesque sites in England—it's been rated, as castle, even above Windsor by some. Its *handsome* guidebook on sale there tells you that, for example, it was sacked by Simon de Montfort in 1264: the book reproduces some handsome objects, too, including a painting of Elizabeth I in coronation robes; a fine lowering Italian portrait by Moroni; and of *course* the great Hellenistic white marble vase (seven tons of it) that belonged to Sir William Hamilton and has been in the Conservatory since 1774, the focal point of the Warwick gardens. None of these three *are in fact there anymore, any*more than are the Canalettos, for a sack of Warwick Castle, other in kind than de Montfort's, is in progress. Its owners are selling out the works of art. Instruments of torture appear on the other hand to have increased *in recent years. The owners* may calculate (and perhaps rightly) that the lure of the rack is more attractive to most coach-loads of trippers than a hurried glimpse of a Canaletto. One hopes that some at least of the proceeds of the sales is being *ploughed back* into upkeep of the fabric, which must be endless and expensive, but *the* family (living abroad) isn't saying.

The National Portrait Gallery has happily been able to salvage the Elizabeth I—*at a cost.*

The two Canalettos have been bought by Paul Mellon for Yale, and there they will go unless by May 11 the price he has paid *(£275,000 each) can be matched* by an English institution. They would have a very good home at Yale, but if the dispersal of national heirlooms—for that is what these objects should be—proceeds at this pace, it looks as though much of the substance of our history will be *finding* homes, good or bad, in alien lands.

It may well be that we can no longer afford our history (even though *it is a major if unquantifiable* factor in our invisible exports via tourism), and that we must decide how much we can keep. For that some kind *of policy is needed. and a policy* to embrace the needs and interest not only of the national, metropolitan centres, but those of the great provincial collections.

Ministers of the Crown, and top civil servants, are not *ninnies. They cannot* but stand high in the country's élite of ability. Their wit is not to be *sniffed at. and it could not have* been beyond that wit to devise, in rather less than nearly five months, means of indicating how Mrs. Williams's promised £1m. of last October would be applied. How about, for example, a bridging loan from that legendary *"Land Fund"? That, having* the ability, they did not use their proven administrative skills, can only indicate a failure of true and committed concern. *Always say yes of course, if* humanly possible, and say it *fast,* but please if *yes* is not possible, at least say so.

Canaletto's view of the East Front of Warwick Castle (c. 1742)

Opera House, Graz

The Rising of the Moon

by RONALD CRICHTON

Nicholas Maw's *The Rising of the Moon,* the only opera so far *written specially for Glynde*bourne, was produced there with success in 1970 and repeated the following summer. One visitor who took a fancy to the work was Dr. Carl Nemeth, intendant of the Opera House at Graz, in Austria. He bided his time and *finally, at the beginning of this* month, brought *The Rising* to the Austrian public in his own theatre. Quite independently, his initiative was followed three or four days later by another production in Bremen, at the diametrically opposite corner of *German-speaking Europe.*

Concerning the Graz performance, I must declare a certain interest, having been sent by the British Council to give an introductory talk *on the work. The* opportunity of attending the final rehearsals and of more contact with performers and administrators than usually comes a visiting critic's way, gave me some insight into the multiple effort which the mounting of a full-scale *modern opera* involves for even a large permanent company. Graz, as a provincial capital, has an opera house of the kind inconceivable here —an imposing building *on the* best site in the city, a splendid auditorium seating 1,400, yet intimate in feeling, the sinuous *Jugendstil* curves of boxes and balconies betraying, in spite of the rococo-style decorations, that the date of construction was the end of the 19th century.

Possibly the opera house is now too large for a public split between conventionally-minded regular subscribers *and* the enterprising ones less concerned with opera than with the annual Styrian Autumn Festivals, now among the liveliest multi-media events in *Europe. When The Rising* was first done, Andrew Porter noted that it had been "composed as if for a house much larger than Glyndebourne's." Indeed, the *opera* "sat" comfortably in the roomier surroundings at Graz. There was air round the notes—Maw's invention is copious, and his orchestration was, *at Glynde*bourne, generally judged over-fierce.

There are two ways in which in spite of its merits *The Rising* is in danger of falling between *two stools. Maw's style* is advanced for the conservative end of the public but too firmly and *soundly attached to tradition for* the avant-garde. His subject matter—a salacious Tory, with serious undercurrents, of the English occupation of Ireland in mid-Victorian times—has become accidentally controversial, chosen and embarked upon before the *present trouble in Ulster blew* up, finally produced at a less fortunate moment.

The Graz programme editor stressed the political and geo*graphical implications (some* connection between past and present there undoubtedly is, but close parallels between *County Mayo* in 1875 and Belfast or Londonderry to-day are hard to maintain on a serious level) with anti-military and anti-British material likely to confuse those who actually don't think in tabloid terms but actually listen to text and music. Even the title *of* Manfred Vogel's German translation—*Der Mond geht auf über Irland*—stresses the Irish connection, yet religious questions apart the events *could* surely have taken place during say, the Austrian occupation of Istria, the Veneto, or Lombardy.

The production by Wolfgang Weber, perhaps significantly, was most successful with the Irish *locals who turn the tables on the* occupying officers and their ladies. Good character singing, mostly clear words. With the English, his direction went *wrong. The officers looked too* old—such senile dodderers as this Colonel and Adjutant (country cousins of Götz *Friedrich's Ring* gods at Covent Garden) must *have considerably* lessened the menace of occupation. The ladies were turned into operetta stereotypes. Fortunately the main couple, Cornet Beaumont, the *green* young officer who is put through a barbarous initiation test, and Cathleen the Irish girl who falls in love with him, fared better.

William Ingle's Beaumont, a gentle, bespectacled character *hopelessly* out of place in military surroundings, was sensitive and precise in phrase and diction. The Cathleen, Edith Gruber, sang her lyrical music almost as well as Anne Howells in the *same role* at Glyndebourne. In more animated passages the voice was slackly controlled, with *dire effect on line and words.* The equivocal character of the Prussian Major von Zastrow was intelligently taken by David Pittman-Jennings, an American high baritone of distinct promise, who made his points without forcing and without resort to caricature.

The conductor, Wolfgang Bozic, kept Maw's pugnacious orchestral commentary under control while maintaining a reasonable level of vitality. Though the internal balance between wind and strings was *definitely in favour of the former,* the playing was as good as local conditions, meaning the deputy system in its damaging wastefulness, would allow. The score, heard for the first time for seven or eight years, holds up well—plenty of dramatic and lyrical *invention, sure characterisation,* a feeling for pace and forward movement. The first-night audience thinned out during the second interval, but the reception *at the end was sympathetic.*

More people stumped out of the Vienna Volksoper during a performance of Boris Blacher's *Preussisches Märchen* which I caught a few *nights earlier* (produced and designer. Wolfgang Weber and Peter Heyduck, were the same as for the Maw opera in Graz). This "ballet-opera" on the episode *of the bogus Cap*tain of Koepenick belongs to more or less the same vintage of Henze's *Boulevard Solitude.* The ballet element has dated, *and the vocal ensembles,* already frayed at the edges although the production was new earlier this season, supported the view that audibility *of* words in opera ultimately depends on the singers, however much they may like to blame composers and conductors. In the ensembles hardly a word of Heinz von Cramer's ingenious satirical verse came across, yet Blacher scores with fanatical transparency.

These scenes (though the work was completed before Blacher could have heard *The Rake's Progress*) are written in Stravinskyan small-change which *needs crisper* treatment than the conductor, Ernst Märzendorfer, secured on this occasion. The surprise of the evening was the sequence of arias (half soliloquies, half "songs" in the Brecht-Weill sense) in which the principal characters in this "*Prussian Fairytale*" *bare their* thoughts, hopes and fears in atmospheric music of a haunting urban melancholy of which I did not realise this usually *dry and spry* composer was capable. Sigrid Märtikke and Hany Steffek were both excellent. Ernst Gustein, veteran baritone and exemplary stylist, *and the much younger Heinz* Zednik, the brilliant Mime of the new Bayreuth *Ring,* were outstanding. To see Berlin for once through the eyes of Vienna *(the opposite is more usual)* was an interesting, often rewarding experience.

Literary appointments

The *Greater* London Arts Association, in co-operation with the London Borough of Sutton, has appointed Mervyn Jones to be C. Day Lewis Fellow at Sutton Central *Library.*

Mervyn Jones will be spending two days a week at the library, working to encourage an interest in contemporary literature and creative writing *in the community.* His fellowship starts on April 20 and will continue for nine months.

This is the third fellowship at Sutton, the *previous holders* being David Benedictus and Alexis Lykiard.

*

One of this country's young poets and critics, Roger Garfitt, *is to edit Poetry Review for the* next three years. He was elected to this position at a recent meeting of The Poetry Society's general council. His appoint*ment will now mean* a long period of continuity in which the positive development of Poetry Review, probably England's longest-lived poetry *magazine, can now* take place.

Wigmore Hall

Peregrine Quintet

by NICHOLAS KENYON

"*n*" is the enigmatic title of Michael Finnissy's piece for an *ensemble of up to four players* which was given its British premiere (in a realisation for flute, oboe, clarinet and horn) during the Peregrine Quintet's *concert* at the Wigmore Hall last night. (To be precise, this was the premiere of the "1973 version," a previous version having been first heard in Britain, *somewhat* confusingly, in 1974—we have always lagged far behind the continent in performing this composer's music.)

If the programme note had *not* told us that "although they all begin at the same time their music is not otherwise "co-ordinated" I would have praised the precision with which the *interweaving* of the four instruments, placed at opposite corners of the hall, was controlled. Melismatic flourishes of sound from one instrument always seemed to emerge over a suitable background from the others: usually single notes or, rarest of delights in such pieces, a major third "*n*" showed the same pleasure in sheer sound and the same acute ear for timbre as the larger works of Finnissy which *we've heard here: whether there* was any more to it (or indeed whether there was *meant* to be any more to it) I doubt.

For the remainder of the *concert* the Peregrine Quintet struggled manfully against the limitations of the wind quintet repertoire. They were joined by Anton Weinberg's bass *clarinet in Janácek's sprightly Mládi,* but this was the only work given that could honestly be called first-rate. The other Czech piece, Foerster's D major Quintet *Op. 95,* had a *bumpy* ride at the start of the evening, with plenty of good humour in the playing but not much matching or phrasing or care for balance. Villa-Lobos' *Chôros No. 2* revealed Lenore Smith, the flautist, as the most polished member of an otherwise uneven ensemble. Jean Françaix's Quintet breathes an air of sophisticated, delicately naughty refinement which to this quintet was *as foreign as the bird from* whom they quite unaccountably draw their name.

Pizza Express, Dean St., W.1.

Wilber/McKenna

by KEVIN HENRIQUES

Continuing his enlightened but financially risky policy of introducing less renowned but top quality American jazz artists, Pizza Express proprietor Peter Boizot is at present offering a three-layered, spicy, but not stodgy, dish which should *satisfy all palates.*

Of the three only Bob Wilber is widely known in this country, mainly for his association with The World's Greatest Jazz Band and Soprano Summit. Equally assured on clarinet, alto-sax and his unusual, curved soprano-sax, *all of which he plays during the* evening's generous three sets, Wilber is fluent and clear-toned on each. For me his soprano playing is his most compelling talent. He has a tone both romantic and full but inevitably not as full as that of his *mentor and inspiration, Sidney* Bechet. On clarinet he is more technically accomplished than emotionally profound, his alto work is bubbling and swinging. Playing "Warm Valley," a ballad tribute to altoist Johnny Hodges, he carefully avoids mawkish *imitation, so easy a trap to fall* into.

For most ears, though, the revelation of the evening is pianist Dave McKenna, making his first appearance in Europe. An assertively two-handed player he does not really come into full *flower until his featured solo* spots. To "Time on my hands" and "As time goes by" he *brings a forceful spirit, tempered with full dynamic control.*

It is his strutting, bounding left-hand stride style, especially in up-tempo tunes, which is his glory. It is allied with a propulsive right hand, pumping *energetic boogie lines.* Yet, like every outstanding pianist, he listens all the while in the ensembles, always adding the right comments, underlining in the correct places. He and Bob Wilber also indulge in some neat exchanges and adept counterpoint *work.*

The third visitor, singer Pug *Horton, actually originates from* England, though she has been a U.S. resident since the early 1960s. Her repertoire encompasses Bessie Smith blues and good-quality popular songs all of which she delivers in a pleasant but unremarkable *fashion.* Derek Hogg (drums) and Ron Rubin (bass) are the two local musicians completing the team. Last Saturday extra sparkle was given to the final set by *another familiar and* worthy local player, trumpeter Digby Fairweather, fast becoming one of the best all-round players on the British jazz scene.

There are just four more nights — to-night, to-morrow, *Thursday and Friday—to catch* this unpretentious, much-pleasure-giving musical package.

Ileana Cotrubas

Covent Garden

Ileana Cotrubas

by RONALD CRICHTON

Sunday's recital at Covent Garden was to have been given by Régine Crespin. Because of illness, the French soprano was replaced by Ileana Cotrubas, *rapidly establishing herself* as one of the most distinctive *recitalists of the time.* Unlike those Sunday stars at the Opera House who seem mainly concerned to provide old-time fun evenings for opera buffs, she offered, as Mme. Crespin had also promised to do, a choice programme *interestingly* and intelligently composed.

What a treat to be allowed a whole group of Glinka, usually the sole preserve of Russian singers and too rarely explored by them. Glinka's position as an important historical figure has obscured the fact that his music, the songs included, is greatly enjoyable. Miss *Cotrubas included two — Adele* and *Song of Travel* — that might have served as models for Stravinsky's *Mavra;* the latter has a bubbling vivacity that almost qualifies it for the first act of Offenbach's *La Vie Parisienne.* Glinka's lyrical side was finely represented by the "Cradle Song."

In the Fauré group (mostly early) it became clear that all was not well with the voice—later in the evening Miss Cotrubas explained that she was *recovering from bronchitis.* The occasional tug on the line and patches of dry tone did not prevent the singer from salting with her wit songs often treated merely as charming vignettes. In spite of passing vocal difficulties she drew rich expression out of the gorgeous *Au bord de l'eau.* Three of Debussy's *Fêtes galantes* brought inflexions recalling this *artist's incomparable* Mélisande at Glyndebourne. Another time Miss Cotrubas must turn the tables and couple early Debussy with late Fauré.

In neither Lia's scene from Debussy's *L'Enfant prodigue* nor in Britten's Auden cycle *On This Island* did the tone come freely. Yet the quick section of the Debussy aria and Britten's *Nocturne* (a reminder that he *knew and appreciated Fauré* before many English musicians did) brought ample rewards. When the voice is not responding ideally well it must be doubly consoling to have at the piano such a sympathetic partner as Geoffrey Parsons.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
Telephone: 01-248 8000

Tuesday April 11 1978

Moderate tax cuts

THERE IS no doubt that the country's economic situation has greatly improved in several ways over the past 12 months. The balance of payments, thanks to the growing contribution of North Sea oil, is much stronger. That strengthening has worked together with the weakness of the dollar to bring about a very sharp increase in the size of the official reserve of foreign exchange. The rate of inflation has been brought back into single figures and is likely to continue falling for some months longer, while tighter control of public expenditure has helped to keep the public sector borrowing requirement well below the original estimate.

But these improvements have been achieved at the cost of stagnant output, high unemployment, and a fairly sharp drop in average living standards. Both from an economic and a political point of view, to-day's Budget looks like an excellent opportunity for cutting taxes, stimulating business activity and encouraging the recovery in living standards which higher earnings and a lower rate of inflation will themselves bring about.

Tax cuts there will certainly be. But the mood, inside the Government and outside it, is not nearly so ebullient as it was a few months ago when foreign exchange was pouring into the country. Three considerations, in particular, suggest that the Chancellor should go about his tax-cutting circumspectly.

Imports

First, the balance of payments outlook is unclear. Despite sharp fluctuations in recent trade figures, it is clear that manufacturers are much less optimistic about export sales and that our propensity to import manufactured goods has remained high throughout the recession. If a sizeable payments surplus can no longer be taken so easily for granted, nor can the persistence of a very large foreign exchange reserve. Second—though the influence of special factors must be allowed for—the money supply has recently been growing faster than the financial markets like. Third, it can by no means be taken for granted that lasting control over inflation has been achieved. The growth of the money supply apart, it is by no means clear how pay claims will develop in the next round: while the 2 per cent. increase announced yesterday in industry's monthly bill for raw materials (the first such increase for a year) is a reminder that a fall in sterling which makes exports more competitive also raises domestic costs.

The Government is committed to cutting direct taxation, even though its scope for doing so may now seem more restricted. It needs to take people out at the bottom and relieve the very heavy burden on those at the top, as well as reducing the standard rate. The extent to which it can do so will depend on Mr. Healey's ability to resist increases in public expenditure—the Treasury has already won a partial victory over the use of the contingency fund—and his readiness to increase indirect taxes, the level of which has fallen well behind the general increase in prices.

Money target

But the monetary aspect of his proposals will also be watched closely, both here and abroad. Last year he succeeded in keeping the PSBR well below estimate and selling large quantities of stock to the public, yet the growth of the money supply over the year will probably exceed his target range. This year he should have no difficulty in announcing a PSBR within the limit mentioned to the International Monetary Fund: but conditions for selling Government stock will not be so favourable and companies may be making more use of the banks. The markets will therefore be particularly interested in the target he sets for growth of the money supply and arrangements for revising it. The Governor of the Bank has suggested that a monetary reassessment might be made along with a reassessment of fiscal policy, for instance "at the Budget and again in the autumn." Which is itself a reminder, in turn, that this is not necessarily Mr. Healey's last Budget for 1978.

Dilemmas in aerospace

ONE MIGHT have supposed that with a nationalised aircraft industry, a nationalised aero-engine company and a state airline the Government would have no difficulty in formulating a coherent strategy for aerospace. Yet the strategic decisions are proving extremely difficult, not least because of the conflicts of interest among the three state-owned organisations.

The central problem is the shortage of work in British Aerospace. It badly needs new civil airliner projects. At the bottom end of the market it is seeking the Government's approval to revive the HS-146 feeder-liner. But even if permission is granted—and this must depend, not on the number of jobs the project will create, but on a strict commercial appraisal—it leaves open the much bigger question of how British Aerospace is to compete in short-to-medium range airliners which will represent the most important part of the world market in the coming decade.

Political risk

Unlike the HS-146, these larger aircraft cannot be undertaken by British Aerospace on its own. It, or rather the Government, has to decide whether to enter into partnership with the Americans, in the form of Boeing or possibly McDonnell Douglas, or to do a deal with the French. Both courses of action involve commercial and political risks. Both impinge directly on the interests of British Airways and Rolls-Royce. None of the prospective partners are likely to be interested in co-operating with the British unless the deal leads to orders from British Airways. Rolls-Royce, eager to develop its relationships with U.S. aircraft manufacturers and U.S. airlines, might be damaged if British Aerospace and British Airways opt for a European solution.

As a kind of curtain-raiser to the main strategic decision, British Airways told the Government yesterday that it wants to buy up to 20 Boeing 737 short-range airliners to replace its Trident Ones and Twos. British Aerospace had offered a stretched version of the BAC One-Eleven and will no doubt seek to persuade the Government that, for employment and other reasons, the British entrant should be preferred. In this particular case it is hard to see any good reason why the airline should be prevented from exercising its own commercial judgment. Although the purchase of the 737 might seem to commit British Airways more firmly to the Boeing camp, it is to some extent a stopgap purchase, just as the stretched One-Eleven would be, and effects only a part of the airline's total replacement programme over the next few years.

One of the arguments against a European collaboration has been the extreme difficulty of breaking into the U.S. market without a direct link with a U.S. manufacturer. A partnership with Boeing, the dominant U.S. supplier, has seemed a more certain guarantee of orders than collaboration with the French. But this argument has been weakened by the success of Airbus Industrie (a Franco-German consortium, with Hawker Siddeley building the wings), in selling 23 of its A-300 airliners to Eastern Airlines; interestingly, the airline has also placed options on 25 of the smaller B-10 version, which is still at the design stage. The order has given a great boost to the case which the French, the European Commission and others have been making for several years—that if only the European aircraft makers, including the British, would group themselves around the Airbus project, a viable rival to the Americans could be created.

Independence

The political arguments in favour of Europe are obvious. What the U.K. Government has to assess is whether the commercial prospects for the proposed European family of airliners and the terms of the partnership match up to what Boeing is offering. There is not much scope for procrastination or for compromise. Whichever way the decision goes, there must be a real commitment to making the new arrangements work; the days of an independent British aircraft industry are coming to an end.

Looking for aces up Carter's sleeve

By JUREK MARTIN, U.S. Editor

President Carter—back on the defensive.

PRESIDENT Jimmy Carter to-day will give what is being billed in advance as a major speech on economic policy in general and inflation and the decline of the dollar in particular. There is a general expectation that he will announce some new policy initiatives.

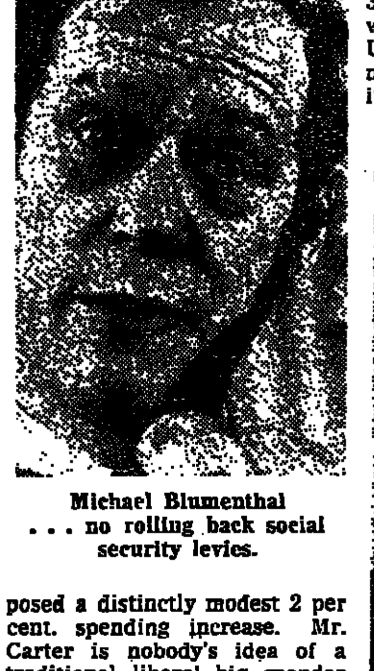
That may not in fact prove to be the case, but it is at least believable. Although, over the last few days, the President's economic advisers have been discreetly suggesting that no economic blockbuster is in the offing, it was Mr. Carter himself who substantially contributed to the sense of urgency by promising, while on his recent foreign travels, to give top priority to both inflation and the rising trade deficit as soon as he got home. He is thus under a constraint of his own making which requires him "to do something."

Consolations to savour

Two weeks ago, the pressures for action were appreciably less strong: when Mr. Carter left for South America and Africa, he even had a few much-needed consolations to savour—the first Panama Canal treaty had passed the Senate: the coal strike had been ended (at some cost); there were glimmerings of a partial Energy Bill compromise: the economy appeared to have survived both the winter and the miners in tolerable condition, with unemployment still heading down: and the dollar appeared more stable in the foreign exchange markets except against the yen. Mr. Carter even had a victory of sorts to enjoy when U.S. Steel, in his absence, halved an announced price increase following Administration criticism that it was seeking to recoup far more than was justified by the miners' settlement.

But the Washington scoreboard shows quite a few setbacks these days: one month's poor inflation figures, a record trade deficit in February (freakish though it may have been): renewed pressure on the dollar: the proposal from Dr. Arthur Burns that the gold stock be mobilised in defence of the currency: Congressional pushes to roll back social security taxes in defiance of the Administration; sudden uncertainties over the second Panama Canal treaty; confusion over the neutron bomb—all combined to put the President on the defensive again. It matters not that many of the "problems" can be indisputably laid at the door of a Congress whose reputation for wisdom and consistency is sinking fast and whose inclination to play to special interests in an election year is rising in proportion. It matters not because Mr. Carter steadfastly declines to identify the Congress as the villain of the piece. In taking the burdens on his own shoulders, he leaves himself open to a lot of criticism.

The most justified is that Mr. Carter has spoken much about the evils of inflation and done perilously little. Both his "voluntary, consultative processes" of last summer and this January have hardly been conspicuous successes: the early talk of balancing the budget as a prime economic virtue has been quietly dropped, though the 1979 fiscal year budget proposed a distinctly modest 2 per cent. spending increase. Mr. Carter is nobody's idea of a traditional liberal big spender—as his latest urban policy programme demonstrated—but, in the eyes of his critics, he has taken an insufficiently firm stand against inflationary policies emanating from the Congress (such as Farm Bills and Social Security tax increases) and has, as a result, made little progress in breaking the inflationary cycle.



Michael Blumenthal . . . no rolling back social security levies.

Too high for comfort

This has not become very much worse, it must be stressed. The underlying rate of inflation of about 6 per cent. last year may be in the process of edging up closer to 7 per cent., but economists both in and out of government agree that the short-term figures exaggerate the underlying trend. Yet it is true that inflation is tending to rise in the U.S. whereas in much of the rest of the industrialised world it is moving down, and that the current 6-7 per cent. range is too high for comfort and does nothing for the strength of the dollar.

The more recent figures, which have considerable influence on political opinion, have been poor. Consumer prices rose at an annual rate of 8.4 per cent. in the first two months of the year, mainly because food prices have been going up at twice that rate. In view of the Agriculture Department, which has sharply raised its forecasts, retail food prices will be 6-8 per cent. higher this year than last. But the service sector (medical care and education in particular) is also contributing its share.

The miners' pay settlement, 37 per cent. over three years, was high and the Teamsters Union, which has a habit of muscling its way to satisfying its demands, has served notice that it wants as much. This is not a heavy year for industrial wage bargaining, but precedents nonetheless are disturbing. The recent increases in social security taxes are widely perceived as inflationary, even though the great part of those which took effect at the start of this year were caused by legislation passed between 1972 and 1976. Next year's increases will hardly relieve the pressure.

G. William Miller . . . taking leaves out of Burns' book.

Either an Energy Bill or presidential imposition of a tax on oil imports is bound to have a one-off effect on the cost of living. The emergency Farm Aid Bill passed by the Senate (but not by the House) implies a percentage point on the consumer price index and reinforces a widespread feeling that special interest groups are capable of working their will through Congress irrespective of the Administration's attitudes. Opinions vary on the inflationary impact of the decline of the dollar, but politicians suspect that it is of measurable consequence and therefore places a responsibility on the Administration to correct.

The Administration's own Council on Wage and Price Stability summed it all up last week, when it reported that inflation seemed stuck in the 6-7 per cent. range and was more likely to go up than down unless the Federal Government played a positive role, which, it said, had not been exercised so far.

Proposed remedies are not in short supply. Broadly, they fall into two categories: varieties of incomes policies offered from both Left and Centre-Right, but which are philosophically and on practical grounds opposed by President Carter, and a whole series of micro-actions whereby the Government would use its power over various aspects of what is, contrary to popular political belief, a fairly heavily regulated private sector.

Making their points

Two principal anti-inflationary advocates have emerged over the past few weeks—Mr. Barry Bosworth, head of the Council on Wage and Price Stability, and Mr. G. William Miller, the new Fed chairman. Both Mr. Michael Blumenthal, the Treasury Secretary, and Mr. Charles Schultze, chairman of the Council of Economic Advisers, have been making their points, but generally more privately than Messrs. Bosworth and Miller.

Mr. Bosworth's prescription is multi-faceted and runs to many pages. Broadly, he wants to defer at least part of next year's social security increase and to hold the line on the budget deficit, projected at just over $60bn. At a micro level, his specific targeted policies include such items as increasing timber harvesting on Federal lands so as to check the rising price of lumber, streamlining Federal bureaucratic and environmental standards that add to costs, requiring all Federal programmes to have a built-in "inflationary impact" factor, giving the 3.5m. Federal and military employees no more than a 5.5 per cent. pay increase in October instead of the expected 6 per cent. plus expected; pushing much harder for proposals designed to check the rising cost of medical care which Congress is still holding up; and resisting vigorously inflationary protectionist measures. Some of his ideas—such as that on Federal pay—have already been adopted by the Administration and his general approach seems in tune with President Carter's own known inclination for complex, targeted policies.

Mr. Miller's advice is broadly similar, though it leans more heavily on the need for responsible fiscal policies. The new Fed chairman appears to have taken many a leaf from the book of his predecessor where inflation is concerned, though he has not gone as far as the valedictory remarks of Dr. Burns in advocating that the President, the Congress and the bureaucracy all take a 10 per cent. pay cut.

But there are problems in this targeted approach to inflation, inherent in any system where the executive's power is matched by that of the legislature. The social security tax dilemma illustrates this perfectly. Last week, the House Democratic Party caucus, which had received an earful from its constituents over the Easter recess, voted by three-to-one in favour of rolling back social security levies. The Administration, particularly Mr. Blumenthal, opposes this because it would inevitably repercuss on the $24.5bn. tax cut and reform package which the Treasury Secretary laboured so hard to produce last January. So, it happens, do two major committee chairmen, Russell Long of the Senate Finance Committee and Al Ullman of Ways and Means in the House, who are not unaware of the fact that Congress rejected Administration proposals last year to use general revenues and thereby reduce the additional tax paid by individuals, and now finds itself under pressure to turn turtle in less than six months.

Mr. Ullman has latched on to an ingenious alternative, whereby the proceeds of the proposed crude oil tax would be used to finance a cut in social security taxes, but Mr. Blumenthal is averse to that and it is likely to give Mr. Long fits. Even though Mr. Ullman's scheme possesses a certain basic appeal, it makes more difficult the imposition by the Administration of a tax on oil imports—a measure which is being heavily canvassed, by Mr. Miller among others. It is now 51 weeks ago that President Carter declared "the moral equivalent of war" on excessive American energy consumption, and Congress has failed to disgorge a single legislative word on the subject.

Elections coming

Meanwhile the American trade deficit heavily but not exclusively influenced by oil imports, refuses to contract (a Brookings study out last week suggested that it could widen by a further $8bn. this year, largely because of deteriorating American competitiveness on world markets brought on by the rise of the dollar in 1975-76). There is little Mr. Carter can do that will have much immediate effect on the imbalance (including even that imposition of an oil import tax) but recognising that requires a degree of sophistication which is not universal among politicians in Washington. With elections seven months off, they are more interested in short-term action than important long-term policies.

These are merely some of the factors that lie behind Mr. Carter's address. Given them, given the balance of power in Washington to-day, and given his own disinclination to be the sort of domineering President that the country supposedly does not want but still apparently craves for, he might have been better advised not to raise expectations so high.

MEN AND MATTERS

Garscadden belongs to whom?

"Get a move on, mate, you're wasting my valuable time!"

It was a snow-blown mid-afternoon when Donald Dewar, hoping to hold Garscadden for Labour on Thursday, set out yesterday to canvass the nearby Temple housing estate. At his first stop I heard some children chanting "SNP, SNP." They stopped for him, but went on playing football. At the second, as he bravely spoke without an overcoat, one household with SNP posters on its windows listened politely.

"We have saved the shipyards and brought them 12,400 man-years of work," Dewar proclaims. But down on Clydeside—which forms the border of the constituency—I found very mixed feelings towards Labour. At Yarrow, one fitter told me that the shipyard has long had good order books—now, he says, it is making a frigate for the Royal Navy and six support vessels for the Iranians.

Another plus claimed by Dewar is that the Government has saved jobs at the British Leyland subsidiary on Clydeside, Albion. But one worker there to whom I talked as the snow fell did not think that Scotland would see much of the proposed £450m. credit. "That's for England," he said.

Ninety-one per cent. of Garscadden housing is council-owned. The Knightswood estates are well laid out, but north in Drumchapel, the situation is appalling. That estate, a post-war one, is one of the largest in Europe, and many of the houses are in virtual slum conditions — broken windows, boarded doors, not a flower in sight. It is in these windows that the main posters to be seen are the fluorescent green ones with the name of the SNP candidate, Keith Bovey, and what looks remarkably like a hangman's noose.

One woman I stopped told me that traditional Labour supporters felt deceived over housing conditions. She herself turned out to be a moneylender, and the street we met in, suitably, was Ladyloan Road. Housing is in fact one of the key election issues. The Tories, who won 12 per cent. of the vote in 1974, seem to have little support for their policy of selling off council houses.

Labour has been making an issue of the SNP's wish for independence, but in all the campaigning there has not been a whisper on immigration. Instead, the main cries have been about abortion. The Catholic Church, whose churches fill a whole page of the Glasgow telephone book, has been precise but not militant on this issue; but SPUC, the Society for the Protection of the Unborn Child, has been attacking Dewar. His belief in "controlled abortion" tends to be misrepresented, to the benefit of the Tories and the SNP.

Will abortion be remembered on Thursday? The Labour faithful doubt it. But unemployment will. The unemployment rate in Garscadden is around one and a-half times the national average. Most of those I talked to at the Unemployment Benefits office were aged between 18 and 30. Could they not look for jobs elsewhere — particularly as more factories in the area seemed threatened?

"Impossible," one 37-year-old building labourer told me. "How can I hope to house a wife and five children elsewhere? Anyway, I have just written to a friend in London. She says there are no jobs down there either. She should know. She is a friend of Tony Benn."

Tuppence off some

Pause a moment to envy train travellers between London and Glasgow. Not only can they book Big City Savers—£15 return tickets rather than the normal £34.60—but they have also struck it lucky in the cut-price coffee experiment. With breath-taking boldness, British Transport Hotels yesterday introduced (on selected routes) cups of coffee at a mere 15p each, down from 17p. Euston-Glasgow, the Southern Region and part of the Eastern Region will be tested for "consumer reaction" to the tuppenny gesture. Speaking to BTH, I had the impression that tears of gratitude would be in order; after six months the 15p coffee could become nationwide. A buffet-car attendant yesterday offered to tell me the trains favoured for the experiment, but after puzzling over a chart for a while said: "Sorry, sir, it's all in code."

Curiosity stirred by the subtleties of railway price-cutting, I telephoned British Rail about the Big City Savers, which have been operating for several months on approximately six trains a day between London and Scotland. "It is doing quite well," I was told cautiously—although it was hard to discover the philosophy behind this innovation, which now makes it almost as cheap to go to Glasgow and back (800 miles) as it is to go to Stafford and back (280 miles).

BR is very candid, however, about the reasons behind its "selective pricing," which has been used for ten years. Fares are based on "what the market will bear." Mile for mile, by far the most expensive route is London-Manchester — "because it is used by a lot of businessmen." The hapless businessmen do not even have the delights of the cut-price coffee experiment. Producing with some pleasure an *argumentum ad hominem*, a BR spokesman told me: "Our guiding principle is to make money."

Lifeboat drill?

In preparation for the start of the London options market this month, a firm of jobbers has been moved from under the gallery at the Stock Exchange: the waiting stand has been dubbed by sceptics "The Bandstand on the Titanic."

All God con.

Card in a Shropshire shop window: "To let furnished for April, 4-roomed converted chapel. All main services."

Observer

SOCIETY TO-DAY

Immigration: the Tories' paper tiger

VILLIAM White Law, the ...rvative spokesman on ... affairs, speaks loudly but ...s a small stick. His pro... on immigration, put for... in Leicester last Friday, ... widely reported as ...h" but if they were ...mented in full the likely ...tion in the non-white ...ation of this country in ...ear 2,000 would be of the ... of 2 to 5 per cent.

...higher figure has been ...ously provided by Mr. ... Powell, who said on the ...ld This Weekend" radio ...amme on Sunday that he ...ht there would be a reduc... of at most 200,000 on an ...lly expected total of 4m. ...k-bottom figure has been ...sted by Mr. Peter Walker, ...puts the cut by 1990 at ...) on 3.15m. The best esti... I can offer, extrapolating ... the work of Professor W. ..., Director of the Centre for ...lation Studies of the ...ersity of London, is a ...00 fall on 3.2m., or about ... per cent. reduction.

...hen these figures are re... to the total expected ...lation, white and black, at ...urn of the century it is ... that what Mr. White Law ... waving at the end of last ... was not a big stick but ...re splinter. To the care...ye, his hand was empty.

...nsider. If you take the ...ent central projection of ... Office of Population Cen... and Surveys, the total ...ber of people in Great ...in will be 55.9m. in the ... 2001. For the non-white ...lation, let us take Mr. ...ll's 4m., and his presumed ... of 200,000.

... quick flick of the pocket ...lator shows that on unchanged existing policies the "coloured" population could be 7.15 per cent. of the total population in 23 years' time. If Mr. White Law's proposals are implemented in full this could fall to 6.79 per cent.—a cut of 0.36 per cent. Taking the more likely lower levels of the non-white population, predicted by Professor Brass, with the more probable smaller cut involved, the fraction becomes even lower. But to be kind to the Conservative spokesman on home affairs, let us stick to that 0.36 per cent.

The cost

Two questions must be asked about it. The first is: how is it proposed to achieve this statistically insignificant result? The second is: what will be the cost? We have the answer to the first in the Conservative spokesman's "tough" speech, and it is worth running down the list to see just where the "toughness" is.

One can identify 18 specific items of policy in the Leicester statement, although some of these are amplifications or subsections of principal proposals. Of these 18 there are only four of which it can be said that there is something truly distinctive about the proposed Tory policy.

Thus the promise to introduce a new Nationality Act is not much more than an election-year "improvement" on the Labour Government's present policy, which has been to produce a Green Paper and await comments in advance of putting forward their own Bill.

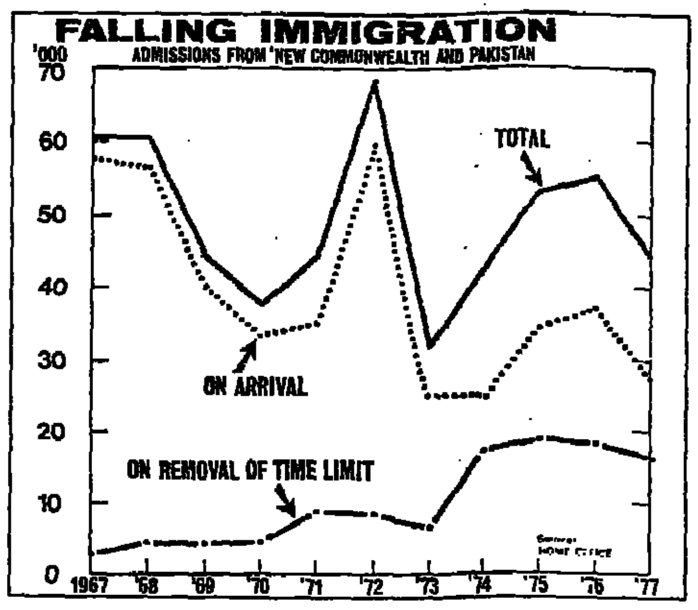
The various hard-sounding clauses about tightening the rules on parents, grandparents and children over-18 and restricting future immigration in such categories to "genuine compassionate cases" and "political asylum" are in fact a near-perfect description of what is done right now. Last year some 3,000 women over 60 and men over 65 were admitted from the non-white Commonwealth and Pakistan; if you screwed this down to the meanest conceivable definition of compassion, the resulting cut would be a small fraction of an already insignificant figure.

Both parties agree that there shall be no retrospective removal of rights of entry, and that the commitment to East Africans holding British passports will stick.

Again, the proposed restriction of classification of jobs that foreigners may hold without a work permit is a mere makeweight to the Leicester speech. Visitors who can work here without a permit range from ministers of religion, through people employed by international organisations to the operational staff of overseas-owned airlines.

Likewise the promise to reduce the issue of work permits to "an absolute minimum" is no more than a repetition of present Government policy. The number of work permit holders and dependants from all countries, black and white, admitted in 1973 was 27,439. Last year it was 17,208. Of that only 2,459 were Commonwealth citizens.

Most work permit holders come in for a year or less, but those who manage to stay in "approved employment" for four years or more can apply for permanent residence. Last year some 700 such people from non-white Commonwealth countries



and Pakistan were given permission to stay; the figure for people from other countries was nearly nine times as high.

The hotel and catering trade is already threatened by the restrictive rules on work permits. In practice, a Tory Government is more likely to reverse them than extend them.

And so the list goes on. The Conservatives say they will take firm action against illegal immigrants. So does the Labour Government. The Tories say no compulsory repatriation, but imply perhaps a few more pounds towards assisted passages for those who really want to go. The Labour Government is always putting up welfare payments; it is unlikely to allow itself to be outbid by the Conservatives.

Serious differences between the two major parties do exist, however. Mr. White Law has indicated that there will be a committee of inquiry into "internal control" of immigration, which Labour reasonably enough interprets as meaning some kind of national identity card, on the French pattern.

On "internal control" Labour does edge towards the intention of Conservative policy by speaking of a new scheme to control employment of persons who have no legal right to be in the country. This will be devised on the corporate CBI-TUC network; we must await the details to see whether it is as objectionable as identity cards.

The Conservatives want to revoke the existing rules whereby husbands and fiances of women accepted as British citizens may come to settle. On husbands, Labour has already introduced a delaying clause. As for fiances, a Conservative government might find that the European Court would tell Britain that it was in contravention of its international obligations on human rights.

In modern Western conditions, any British Government trying this loses either way. If it legislates for, say, Indians only it is sure to be found guilty of race discrimination. If it says that British men may marry who they please and bring their wives home, it cannot deny the same right to women accepted as British citizens without contravening current notions of sex equality.

A practical way of reducing the already low number of male fiances (2,100 from the relevant countries last year) might be the imposition of a rule that the necessary documents must be filed here by the prospective bride herself. This might accelerate the rate of which young British-Indian women decline to accept their parents' arrangements for marriage to someone from abroad.

The proposals most openly associated with racial discrimination are the most contentious in Mr. White Law's list. These would have all Indians, Pakistanis and Bangladeshis living here register the dependants they may wish to bring over in the future. Those dependants would then come in on a strict quota system, the effect of which might be to spread their arrival over a greater number of years.

This proposal would not result in a cut in the likely non-white population at the turn of the century—it leaves the 0.36 per cent. fall in the "coloured" share of the whole population unchanged. It would probably not end uncertainty about future numbers, and it might very well be vetoed by an international court, under the European Convention for the Protection of Human Rights and Fundamental Freedoms. Its basic impracticality is shown in last year's report by the Franks Committee on "A Register of Dependants" (Cmnd. 6698); its essential racialism speaks for itself.

* * *

WE COME, therefore, to the second question—what is the cost of achieving that 0.36 per cent. cut? Perhaps fortunately, this side of the equation cannot be expressed by statistics. There is no mathematical accuracy here. As Mr. Edward Heath told the Federation of Conservative Students in Loughborough at the week-end:

"Let us always remember that we are dealing not only with statistics . . . but with people, with human beings who have families and who have lives to live and problems just like everybody else."

The first part of the cost of the Leicester statement will almost certainly be an increase in the problems of these people. Their lives will be made that much more difficult. Ask anyone whose skin is not white. Over the past 10 years, as both major parties have trimmed their sails to the wind of racial ill-feeling the everyday life of many non-whites in Britain has deteriorated. The willingness of an employer to refuse a job, or a landlord a tenant has been strengthened by the apparent acquiescence of respected political leaders. Now that the Conservative spokesman has effectively split his own name into "White Law," following his leader's intemperate remarks on television at the end of January, one major party appears to such people to have endorsed such attitudes.

Yet this is not the only cost. Whenever politicians stir up ill-feeling in one community, the rest also have to pay. The Thatcher Conservatives may tell themselves that they are not "stirring it up," but even so they are. Racial ill-feeling works both ways, as the Americans have learned to their cost. If there is future strife in parts of our cities, the current Tory attempt to follow their pollsters on selected social policies will have contributed to it.

There is a greater cost, which the Conservatives themselves may have to meet. Calculations about the net increase in the white Conservative vote after allowing for a general swing to Labour by non-whites are too fine to assess; what is beyond doubt is that the biggest threat to a future Tory government's ability to govern—the "hate factor"—will have been magnified. On the Left this personal ill-feeling for Mrs. Margaret Thatcher is probably already beyond curbing.

As one moves towards the centre of the political spectrum, liberal-minded or consciously anti-racialist whites may also be affected by dislike for a Government that had campaigned for office in such a manner, not to mention disdain for "men of principle" who affect to be spreading goodwill when in fact they are pandering to the immigrant-bashers.

That 0.36 per cent. may yet turn out to be the most expensive sop a politician has ever offered on the altar of party unity.

Joe Rogaly

Letters to the Editor

...lanning for ...roductivity

...the Director, ...onnel and Industrial ...tions Division ... P-E Consulting Group

...—Anyone in touch with ...ties knows that there are ...s self-financing productivity ...mes about. To think other... would be a massive self...ption.

...rt of the problem has been ...ed by the very meaning of ...word "productivity" being so ...ched as to create fundamental misconceptions about ...ctives and criteria. But the ... impetus behind otherwise ... management condoning ...ious arrangements was ...ted at national level in the ...mer of 1977.

...ational horse-trading between ...ernment, CBI and TUC was ...ble to come up with consen... views early enough to allow ...erent planning for a policy ...ewarding systematic produc...y improvement. Instead, par...larly for those whose ...aining dates came hot on ...heels of the Phase III guide...s, "deals" were hurried ...ugh as expedient; even panic, ...sures to meet people's pent... aspirations for earnings ...eases above the 10 per cent. ...l. This in turn immediately ...ame the "floor" rather than ...ceiling" figure.

...his was not seen by profes...ials as planned policy; it was ...er a tragi-comedy giving ...nce to tampering with pay—...angerous thing at the best of ...es.

...eputable firms of manage...nt consultants refused to have ... truck with this. Many a ...nt management has been ...suaded not to take the bogus ... option but to turn a problem ... a real opportunity and to ...rch (usually successfully) for ...uine criteria capable of with...nding any audit.

...ince problems of the future ...e the habit of emerging from ... seeds of history, one can con...ntly predict that life will ...ch up with the more spurious ...ls — especially those with a ... of more than 12 months, by ...en the rules will have ...nged. Bogus schemes erode ..., become "gravy trains," have ... be bought out or consolidated, ... so on.

...The post-Phase III arrange...nts must have the following ...redients: there should be no ...orm" unless it is expressed as ...ro," which is the most logical ...oor" in a more free collective ...rgaining environment; com...nies and trade unions should ...ntly and responsibly negotiate ...er what is affordable and prac...al; action should be taken, ...eferably in a participative ...de, to reduce the disarray in ...yment structures; effort must ... rewarded to increase labour ...oductivity — in blue and white ...llar areas — and to encourage ...liability of output; the criteria ...n only be stable unit costs and ...erall control of wages and ...lary bills.

But this time, above all, man...ement of our industry and ...ose of us who work to help ...licy implementation must be ...le to plan and see a good deal ...rther ahead than the four... ...ort months of Phase III's re...aining provisions. The longer ...e delay in promulgating what ...mes next, the poorer our pro...ctivity will become.

... C. Coke Wallis,
...he P-E Consulting Group,
...rk House, Egham, Surrey.

The question of risk

...rom Mr. D. Damant.

Sir,—Dr. Southworth's letter ...April 6) reveals a series of misconceptions about index funds. The U.S. bank to which he referred established an index fund by buying most of the constituents of Standard and Poors 500 Share Index but screened out 19 issues: this is common practice in the face of a possible law suit on the grounds that a prudent man would not have bought the low quality issues in question. On grounds of perhaps balance sheet structure, or the industries concerned, they were considered to be investments bearing too high a risk. It is not therefore surprising that in the event these discarded shares put up a better performance than the Index. High risk is correlated with high reward. The results are therefore completely in line with the efficient market theory, and are not a contrary instance.

It is a reasonable opinion, in fact, to maintain that investors in the States would have a better defence, against a possible suit, on the grounds that they had taken up a structured portfolio representing the Index, rather than making any share selection at all. This matter has not yet been tested in the courts and limited screening out of the most risky shares continues in many instances.

This question of risk is relevant to Dr. Southworth's reference to technical analysis. I would argue that quite a number of chartists' techniques are in fact a kind of risk analysis and therefore perfectly valid even in the light of the efficient market theory. But the tendency of chartists to pick volatile shares (because of the scope for a movement, or an energetic pattern) may be one reason why technical analysis has won less than universal support. Fund managers have an aversion to risk and therefore to many of the shares selected by technical analysis. The failure of many fund managers to use technical analysis may of course entail that it may be rather easier to find technical inefficiencies in the market than fundamental inefficiencies.

The evidence is, nevertheless, that all inefficiencies are difficult to find. It may be perfectly possible for an individual investor to accept a certain sort of risk by concentrating his resources very highly when a small number of inefficiencies are discovered. But this approach is not open to any manager in a position of fiduciary responsibility who must maintain an adequate spread of risk. For such portfolios the risk/return offered by index funds is overwhelmingly attractive.

D. C. Damant.
Clive Investments Cambridge.
1, Royal Exchange Avenue, E.C.3.

Manual workers pensions

From Mr. R. Sloan

Sir,—In his article (April 6) on the new State pension scheme, Eric Short rightly commented on the potential difference between "final salary" and "average revalued earnings" for manual workers.

He notes the fact that most negotiated works pension schemes are "based on final salary, rather than average revalued earnings, even though the latter could provide a much higher pension. There must be a lack of communications somewhere."

This point is one that has been made frequently in recent months and which highlights the potential financial folly on the part of an employer who contracts-out with a minimum bare-bones scheme. By this, I mean one giving 1/80ths of final salary less basic state pension, which it will be seen is the same formula as the additional state pension for all workers within 20 years of retirement, but subject to the important difference in the definition of final pensionable earnings.

Furthermore, many unions may not have served their members well, when to contract-in to the new state scheme plus a suitable topping-up arrangement, could provide better overall benefits.

R. K. Sloan
(Director and regional actuary),
Martin Paterson Associates,
9, Albyn Place, Edinburgh.

Uninformed women

From the Pensions Manager, Pfizer.

Sir,—In his article on the new State pension scheme (April 6) Eric Short details the position of married women paying reduced rate National Insurance contributions, and states "indications are that the majority are still content to pay the reduced rate and get their pensions from their husband's records."

One wonders what the statistics of understanding and contentment are from which he derives his "indications." The truth is that the great majority of such women, if contracted into the new State scheme, have never had the alternative clearly explained to them. Certainly the staff of Department of Health and Social Security offices appear to have been instructed not to advise women on what they should do.

Our own calculations—confirmed by DHSS inspectors—indicate that women aged 57 or under, currently earning not less than £30 per week, and expecting to stay in their employment with normal cost of living wage increases until age 60, could, by switching to full rate contributions, receive an inflation-proofed pension infinitely superior to anything they could obtain from a comparable premium payment to any insurance office.

But how many of them know that?

John L. Hardiman,
Pfizer,
Sandwich, Kent.

Denizens of the deep

From Mr. R. Norton

Sir,—I refer to that short length of underground railway between Bank and Waterloo stations in London known to its habitués as The Drain.

Conditions on this route have always been bad; of late however, they have grown worse, with long delays and passengers waiting on the ramps leading down to the platforms almost as far back as the main line exits.

It is not a question of packing the trains any tighter with passengers as this has always been impossible. Indeed, it is safe to say that if the passengers were horses for export there would have been a worldwide protest by now.

In view of the delays, bad riding of the rolling stock, and tight packing, is it not about time that, either, something was done to improve conditions, or a rebate given to the long-suffering folk who have taken out annual membership?

R. E. Norton,
65 Speer Road,
Thames Ditton,
Surrey.

Authorised auditors

From Mr. R. Wensley.

Sir,—With reference to the current endeavours of accountants to regulate a closed and ethical profession within the British Isles it is understood that with effect from the 18th of this month the only persons authorised to act as auditors of companies will be:— (a) individuals authorised before April 18 under Section 161 (1) (b) of the Companies Act 1948; (b) members of the Institute of Chartered Accountants in England and Wales; (c) members of the Institute of Chartered Accountants of Scotland; (d) members of the Association of Certified Accountants; (e) members of the Institute of Chartered Accountants in Ireland.

Those authorised under headings (b) to (e) are already represented by their institutes or association, but those authorised under (a) act as individuals and apparently are not represented in any way.

As the total of those authorised has reached the not negligible number of 1,118 surely steps should now be taken for them to be represented in the same way as those under the other categories either by becoming members of an organised body which would be recognised under the Companies Act 1976 Section 13 (2) (a), or by being admitted as members of one of the bodies which are already recognised?

R. W. Wensley.
"Sangro,"
438, Liverpool Road,
Southport, Lancs.

Compensation payments

From the Secretary, Royal Commission on Civil Liability and Compensation for Personal Injury.

Sir,—In your issue of April 3, your insurance correspondent quoted from this commission's report apparently conflicting figures for the value of tort compensation payments to persons injured by defective products.

The average payment quoted in paragraph 1201 of volume one of the report was £500, not £50 as given by your correspondent. He is, however, right in saying that there is an inconsistency between this paragraph and paragraph 1278, which should have stated that the number and value of tort payments stand at about 1,700 and £0.9m. (not 1,700 and £1.6m.). A correction will be made if the report is reprinted.

(Mrs.) M. E. Parsons.
22, Kingsway, W.C.2.

Reduced rates

From the Chief Executive, City of Winchester.

Sir,—The survey by the Rating and Valuation Association (reported on April 4) indicates that only one non-metropolitan district (Newark) reduced its rates this year. The survey seems to have missed some of the better news for ratepayers.

In Hampshire alone, Eastleigh, Southampton and Winchester have all reduced their rates this year. Winchester is perhaps the best example of what a council can achieve when it really sets its mind to it. Even three years ago, its rate levy was comparatively low. Since then it has gone down by 18 per cent., while the retail price index has gone up by around 48 per cent.

I still regard your newspaper as excellent value at 15p, but at 4½p daily I suggest that Winchester City Council's services give the average householder an even better bargain.

Martin White.
City Offices,
Colebrook Street, Winchester.

To-day's Events

GENERAL

Chancellor's Budget speech and the Opposition's reply will be broadcast live by both BBC Radio 4 and Independent Radio News from 3.30 p.m.

UN Economic Commission for Europe begins its 33rd session in New York (until April 22).

European Central Bankers end two-day meeting, Basle.

European Parliament in session, Luxembourg.

Law of the Sea Conference continues, Geneva.

International Civil Aviation Organisation meeting continues, Montreal.

TUC Steel Committee meets local union representatives to discuss their conditions for closure of Ebbw Vale steelworkers a year earlier than planned.

Second and final day of Financial Times conference on Business and the European Community Directives, Grosvenor House, W.1.

Mr. William Whitelaw, deputy Opposition leader, addresses Federation of Conservative Students' conference, Loughborough University.

Sir John Methven, CBI director-general, is guest speaker at Belgian Chamber of Commerce in Great Britain lunch, 6, Belgrave Square, S.W.1.

Mrs. Shirley Williams, Education Secretary speaks in Garscadden by-election campaign.

National Council for Civil Liberties lobby Parliament against London marches ban.

London Chamber of Commerce Council meets.

Scottish Building and Public Works Exhibition opens, Glasgow (until April 15).

London Fashion Exhibition begins, Earls Court (until April 14).

PARLIAMENTARY BUSINESS

House of Commons: Chancellor presents his Budget. From 7 p.m., opposed private business is followed by motion on EEC documents on Community textile policy.

House of Lords: Export Guarantees and Overseas Investment Bill, and Oaths Bill, second readings. Scotland Bill, committee. Motion to approve Housing (Homeless Persons) Order.

Select Committee: European Legislation (sub-committee 1). Subject: Electrical and machine tool standards; safety at work. Witnesses: Officials of Department of Employment's Health and Safety Executive (Room 15, 10.30 a.m.).

OFFICIAL STATISTICS

Vehicle production (March, provisional).

COMPANY RESULTS

Rio Tinto-Zinc Corporation (full year). Smiths Industries (half-year).

COMPANY MEETINGS

Anglo International Investment Trust, 20, Cannon Street, E.C., 12. Imperial Metal Industries, Birmingham, 12. Pawson (W. L.), Halifax, 12. Westwood Dawes, Stourbridge, 12.30.

COMPANY NEWS + COMMENT

Associated Biscuit reaches £10.59m.

ON TOTAL sales of £198.19m. compared with £173.36m., pre-tax profits of Associated Biscuit Manufacturers advanced from £9.48m. to £10.59m. for 1977 with £6.32m. against £6.31m., coming in the first 36 weeks.

Full-year earnings are shown at 16p (13.8p) per 20p share before exchange differences and extraordinary items and at 15.3p (13.3p) on capital on full conversion of the 6½ per cent. unsecured Loan stock and the exercise of outstanding share options.

The final dividend is 1.69p net for a maximum permitted 3.19p (2.83p) total.

	1977 £000	1976 £000
U.K. sales	127,646	105,948
Biscuits, etc.	122,495	99,811
Packaging and light eng.	5,151	5,737
Canada biscuits, etc.	25,754	29,564
India, biscuits, etc.	30,464	27,516
France	9,254	7,815
Rest of world	477	569
Associate	5,017	4,427
Total sales	198,188	173,359
Trading profit	11,558	10,294
U.K. biscuits, etc.	6,568	5,176
U.K. pack'ing, light eng.	582	153*
Canada	1,117	1,562
India	2,972	2,789
France	332	920
Rest of world	36	60
Other net income	329	54
Net interest payable	1,566	908
Share of associate loss	11	19
Profit before tax	10,590	9,479
Tax	3,091	2,902
Net profit	7,499	6,577
Minorities and preference	721	767
Exchg. & extraord. debits	803	218
Attributable to Ordinary	5,975	5,596
Interim Ordinary	634	558
Proposed final	741	629
To reserves	4,600	4,399

* Loss. † Profit.

The latest accounting standards for the treatment of deferred tax and exchange differences have been adopted in 1977 and the 1976 figures have been restated.

Mr. G. W. Palmer, the chairman, says that based on the experience of the last few years of high inflation in this country and on the rather static market in which the group operates, the directors have come to the view that it would be right to extend the group's geographical spread. They believe this will add stability and strength to the business. It is in pursuit of this policy that the group is in negotiation for the acquisition of the Salerno-Megowen Biscuit Company, and has acquired two smaller confectionery businesses in Europe.

The chairman reports that in the U.K. and in Canada, the last year or two have seen difficult market conditions with some fall in demand and very competitive trading activity and the squeeze on personal spending has affected food sales more than expected because manufactured foods have risen in price more rapidly than the overall index. It is hoped that 1978 will bring some increase in consumer spending as well as more stable raw materials prices. Prosperity in 1978 will be affected by the overall economy in the U.K. and North America, but results in 1978 also depend on management, the ability to improve productivity, the speed of reaction to the changing conditions of operation, and success in expanding overseas.

● comment

A strong upturn in the second half by its major subsidiaries in both the U.K. and overseas helped Associated Biscuit Manufacturers to offset a shortfall in the first half and lift the full year's pre-tax profits by 12 per cent. In the U.K., sales of biscuits and confectionery were up 22.7 per cent. with volume increase accounting for only 2.5 per cent. and Huntley Boorne and Stevens, the packaging and light engineering company featuring a sharp turnround—from a loss of £0.15m. to a profit of £0.58m. Huntley's recovery is continuing to go well and a good order book suggests a modest increase in profits this year. Overseas, Britannia Biscuits of India, which became an associate this year after the Indianisation programme, showed some volume growth while its Canadian and French operations managed to arrest the first half slide. David Biscuits of Montreal, in particular, has resolved the poor sales mix and production problems, which plagued its first half operations, and is continuing to improve. With the U.K. and Canadian markets having proved to be difficult, ABM is looking to Europe for future growth through acquisitions. For the current year, further improvement by Canadian and French subsidiaries and better margins in the U.K. could provide ABM with another satisfactory profits rise. The shares fell 2p to 74p yesterday to yield 6.7 per cent. and a p/e of 4.5.

INDEX TO COMPANY HIGHLIGHTS

Best ever £1.05m. by Dewhirst

AFTER RISING from £409,000 to £505,000 in the first half, pre-tax profits of I. J. Dewhirst Holdings, the clothing manufacturing and wholesaling group, finished the year to January 13, 1978, ahead from £914,306 to a record £1.05m. on turnover of £11.79m. against £9.07m.

After tax on the ED19 basis of £94,600 (£156,200) earnings are shown to be up from 10.04p to 12.66p per 10p share. On the old basis tax would have been £546,300 (£476,700).

The final dividend is 1.16p net for a maximum permitted total of 1.76p (1.57875p adjusted). A one-for-three scrip issue is also proposed on Ordinary shares and a one-for-15 scrip for £1 Cumulative Preference shares.

	1977-78 £	1976-77 £
Turnover	11,788,046	9,071,119
Trading profit	977,427	805,212
Net interest recd.	73,178	109,094
Pre-tax profit	1,050,605	914,306
Tax	94,600	156,200
Net profit	956,005	758,106
Dividends	132,595	119,210
Retained	823,110	638,896

The directors say the group has continued to expand sales volume in spite of a particularly difficult year in the clothing industry and has been able to show an increase in trading profit in spite of inflationary cost pressures because of higher volume. Pre-tax profits have not received the substantial boost from interest receivable enjoyed last year due to much lower interest rates although substantial cash balances have been maintained throughout the year. Sales to date in the current year show a further increase although margins are still under pressure.

Benford slows in second half

ON TURNOVER of £18.4m. compared with £15.35m. previously, taxable profit of Benford Concrete Machinery improved from £3.43m. to £3.84m. in 1977, following a jump from £1.65m. to £2.02m. in the first half.

At halfway the directors reported that the home market for machinery was continuing at a low ebb with no improvement in sight, but that orders in hand and reasonably anticipated would keep the group fully employed for the year.

Exports for the full year were £11.03m. (£9.84m.).

The profit is subject to tax of £2.02m. (£1.77m.). Earnings per 10p share are shown at 8.23p (7.48p).

A final gross dividend of 1.951p takes the total to 2.751p compared with 2.501p last time, adjusted for the one-for-two scrip issue.

● comment

Benford's first half profits growth of more than a fifth has been followed by a rise of only 2 per cent. in the second six months. This is due to a sharp downturn in export demand from the oil-rich countries which have found themselves in the position of having overestimated their immediate requirements for capital goods. As a result they have surplus equipment, especially in the construction industry, and demand for concrete mixers and associated machinery has temporarily fallen off. To offset this, the company is widening its product range with new compacting equipment and a rough terrain forklift. There has evidently been some interest (mainly from local authorities) in spite of the depressed conditions in the building and civil engineering industries, but they can only start to make an impact when the Warwick factory comes on stream later this year. The cost here is £0.75m., but this still leaves £3m. cash in the balance sheet earning on short-term deposit. At 55p the shares are on a p/e of 6.5 while the yield is 5.1 per cent.

Freddie Mansfield

Mr. Austin Bide, chairman of Glaxo, who reports little change in first-half profits.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Assoc. Biscuit	1.69	July 3	1.51	3.19	2.83
Benford Concrete	1.95	May 19	1.74*	2.75	2.5*
Burgess Prods. ...int.	1	—	nil	—	2.33
Chamberlain Grp.	1.83†	July 3	1.37	2.76†	1.88
C. of Ldn. Bwy. Tst. 3rdint.	0.6	May 31	0.53	—	2.4
Horace Cory	0.34	May 24	0.39	0.67	0.6
Crossley Bldng.	2.13	—	2.13	4.13	4.13
G. Dew	nil‡	—	1.13*	0.54*	1.67*
I. J. Dewhirst	1.16	June 16	1.04*	1.76	1.58*
Glaxo ...int.	4.5	June 23	4	—	10.21
Hewden-Stuart	0.87	—	0.75*	1.29	1.15*
High Gosforth Park	10.92	May 3	9.93	10.92	9.93
Huntleigh Group	1.18	—	1.06	2.35	2.11
Albert Martin	2.2	July 3	1.81	3.70†	2.81
Triplevest	2.08	Apr. 30	1.9	4.39	3.93

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Because offer for company now unconditional. § Gross throughout.

Chamberlain hits peak £2.01m.

EXTERNAL turnover for 1977 at Chamberlain Group rose from £18.58m. to £21.61m. and pre-tax profits advanced from £1.96m. to a record £2.01m. after £807,223 (£726,532) for the first half.

On capital increased by last July's one-for-five rights issue, full year earnings are shown to be up from an adjusted 8.65p to 9.95p per 25p share and, with Treasury consent, the final dividend is 1.833p net for a 2.757p (1.87893p) total.

	1977 £000	*1976 £000
Turnover	21,612	18,580
Hydraulic engineering	8,174	7,128
Structural engng.	13,438	10,438
Property development	—	1,014
Trading profit	2,039	2,044
Net interest	30	86
Pre-tax profit	2,009	1,958
Hydraulic engineering	1,014	1,055
Structural engng.	833	997
Property dev. loss	—	94
Head office	162	—
Tax	597	812
Net profit	1,412	1,146
Extraord. debits	110	52
Available	1,302	1,094
Dividends	426	242
Retained	876	853

* Restated.

Head office activities consist of interest earned on funds not employed in trading companies and net rentals received on properties owned but not currently occupied by Group companies.

The tax charge reflects a change in accounting policy whereby deferred tax is now only provided for in respect of stock relief received by the structural engineering companies, and timing differences not arising from the excess of allowances claimed over depreciation charged on the relevant assets.

The comparative figures for 1976 have been restated to reflect this change.

Extraordinary items represent the terminal activities of the mechanical services division and, in 1977, the costs incurred in terminating the activities of the housebuilding companies which are no longer trading. No future material costs relating to these discontinued activities are anticipated.

The directors say that in the hydraulics division profits of the principal company, Chamberlain Industries, were higher than 1976 despite reduced sales in U.S. Orders taken in the first quarter of 1978 exceed those of 1977.

The U.K. construction market was depressed in 1977 resulting in a reduction in profits for the structural division. The U.K. market remains depressed but overseas markets are proving more successful and 1978 first quarter orders are ahead of those for 1977.

Members are told that it is intended to expand and improve the quality and stability of group earnings by acquisition. It has not been possible so far to reach a satisfactory conclusion with a candidate, but this policy "will be pursued vigorously in 1978." At the same time existing businesses will continue to be improved.

The balance sheet shows total net assets of £11.89m. (£11.07m.) and net current assets of £7.[illegible] (£6.75m.).

● comment

After being ahead almost a [illegible] at halfway, Chamberlain's [illegible] year sales increase has been [illegible]duced to less than a fifth, [illegible] profits are only marginally hig[illegible]. While the results reflect an [illegible]crease in volume sales of arou[illegible] a tenth, the difficult U.K. con[illegible]tions in both the structural st[illegible] and hydraulic engineering ind[illegible]tries, combined with the effects [illegible] a stronger pound, helped to [illegible]duce margins by a point t[illegible] per cent. Exports represen[illegible] only growth area and these jumped by 28 per cent. to [illegible] with hydraulics contributing [illegible] thirds of the total. South [illegible] has been a useful market f[illegible] company's hydraulic motors [illegible] the mining industry there [illegible] going a re-equipment progr[illegible] and so have the com[illegible] countries, which are tryi[illegible] boost output. At 48p the [illegible] are on a p/e of 4.6 and a yi[illegible] 9 per cent. Until the U.K. m[illegible] recovers, the company must [illegible] lean on exports (30 per ce[illegible] sales), and first-quarter tur[illegible] shows a volume jump of ar[illegible] a third. The principal grow[illegible] expected to come from the [illegible] and Australia as their econo[illegible] improve. In addition, Cham[illegible]lain has sufficient liquid fund[illegible] acquisition so the shares [illegible] ample support at this level.

Morgan Edwards warning

Morgan Edwards, the su[illegible] market chain which has b[illegible] tipped as a likely vehicle for James Gulliver—should he w[illegible] to make a return to food retail at the end of this year—has s[illegible] that its management accounts [illegible] the last six months were [illegible] encouraging and it was [illegible] that a final dividend would be commended.

Mr. Gulliver's name was lin[illegible] with Morgan Edwards after [illegible] of his close associates and [illegible] directors of Alpine Holdings [illegible] which Mr. Gulliver is chairm[illegible] recently proposed to acquire [illegible] 20½ per cent. stake in Mor[illegible] through a new company, Av[illegible]miles.

Mr. Gulliver, former ch[illegible] executive of Oriel Foods and F[illegible] Fare, was not involved with [illegible] deal as he is prevented fr[illegible] taking an interest in a food [illegible]tailing company by an agreem[illegible] with RCA which took over Or[illegible] Foods in 1974. However, [illegible] agreement expires at the end [illegible] this year.

Morgan Edwards said yesterd[illegible] that a hoped-for improvement [illegible] trading had still not materiali[illegible] and that it was not possible [illegible] make a reliable forecast for t[illegible] outcome of results for the ye[illegible] which ended March 31, 1978.

Expamet investment to go ahead

HAVING REJECTED the idea of slowing down development at home and overseas to give immediate benefit to profits, the directors of the Expanded Metal Company state that they intend to press ahead strongly with various forward-looking projects which together amount to substantial investment in the group's future.

This is especially true of Explosafe, and in North America, where the programme for the enlargement of the manufacturing facility is being accelerated. The objective here is that by the middle of 1979 the modern factory at Atlanta, Georgia, will be able to offer an extensive range of expanded metal and related products in the largest domestic market in the world.

At home the directors feel that it is unlikely that there will be any early increase in demand from local authorities for the group's specialised building products but longer term prospects are reasonable. In steel stockholding also there is no near prospect of an increase in demand but there are strong indications of some relief from the severe downward pressure of the recent past.

Within the group's basic business of expanded metal and related products the directors report that demand from the industrial sector continues to be strong. They feel that it is also reasonable to expect that by the second half of the year the increase already evident in some areas of consumer spending will have spread to the building industry.

In 1977 group pre-tax profits fell by 31 per cent. to £2.22m. Reflecting the June, 1977, £3.2m. rights issue the fall in earnings per share was 36 per cent.

The directors point out that this issue was made in the belief that the group would shortly complete the acquisition of a substantial private concern for cash. This deal fell through in November for reasons solely connected with the vendors.

On the basis of existing operations the holding of cash at the end of 1977 (£707,000) will grow strongly as 1978 progresses. This resource plus the ability to borrow based on a strong balance-sheet and an all equity capital structure, places the group in a good position to make a substantial acquisition for cash with consequent benefit to earnings per share.

Referring to the group's operation in Atlanta the directors report that turnover exceeded $1m. and should be doubled in 1978. Additional machinery worth some $1m. is on order from America and European sources and is scheduled to be in production in late 1978/early 1979.

As regards Explosafe, progress continues in line with plans and very much at the rate forecast when the project was started. Further development work has been successfully completed and a wide range of prototypes satisfactorily produced.

On the subject of inflation accounting the directors state that as the Hyde proposals are still the subject of much discussion they do not consider any purpose would be served in presenting such a statement.

The group's net asset value at December 31 was £16.32m.—76.74p per share.

Meeting, Tower Hotel, E., May 18 at 12.30 p.m.

Fairclough sees some real growth

In his annual statement, Mr. Oswald Davies, the chairman of Fairclough Construction Group, says there are signs, albeit not strong, that confidence is returning to the group's clients and that some real growth may be in prospect.

The company is well advanced with its penetration of new markets and has, without sacrificing profitability, maintained a good workload from its existing and traditional markets. The year-end workload was ahead of last year, the group has trimmed itself to operate more effectively and simply and "we can see ourselves continuing to produce better performance and returns in the future.

Mr. Davies reports that much has been going on overseas, although the effect is long-term and not immediate. A joint company has been formed in Saudi Arabia with Mr. Midani called Fairclough-al Midani.

The group's future in Saudi Arabia will provide an important lead to its other overseas activities and the directors are confident that activities there will continue to expand for the benefit of the joint company.

As reported on March 15, pre-tax profits rose from £5.95m. to £7.05m. in 1977 on turnover of £170.04m. (£163.47m.). Liquid funds were £254,000 lower (£4.41m. higher) at the year end.

Meeting, Midland Hotel, Manchester, on May 3 at 11.30 a.m.

Huntleigh finishes lower

AFTER A downturn in second-half profits from £465,705 to £262,432, pre-tax profits of Huntleigh Group dipped from £0.87m. to £0.72m. in 1977 on turnover up from £5.61m. to £6.76m.

At half-time when profit was ahead from £402,000 to £458,000, directors said they expected the improvement to be maintained in the second half.

After tax of £159,624 (£374,985) net profit was £560,808 (£495,720), before extraordinary debits of £11,251 (£333,846).

A final dividend of 1.18p net per 10p share takes the total to 2.35p (2.11p).

Earnings per share of the engineering and electronics group are shown at 17.2p (15.2p).

The decline in profit was owing to an unsatisfactory result from its subsidiary, Hymatic Engineering.

Deficit at Crossley Building

AFTER A special provision of £420,000, Crossley Building Products incurred a pre-tax loss of £34,119 for 1977 compared with a profit of £822,624.

The special provision has been made to cover actual and anticipated claims which have arisen in 1978 and which are attributable to the failure of roofing tiles made during 1976. The directors say they are now satisfied from internal investigations and quality control procedures as well as by tests carried out by independent bodies that tiles subsequently produced are sound and durable.

They believe that a steady improvement in trading conditions will take place during the remainder of 1978 and estimate that pre-tax profits for year will be in excess of £1m.

The loss per 25p share is given as 0.82p (earnings 6.26p) but the dividend total is maintained at 4.134p net with a final of 2.134p.

G. Dew

As the offer from the Adrian Volker Group (U.K.) has now become unconditional, the directors of G. Dew are not recommending a final dividend.

Adjusting for a recent two-for-one scrip issue, therefore, the payment for the year ended October 31, 1977, was 0.542p net per 25p share, against a total of 1.66p for the previous year.

As indicated in the offer terms, Dew's profits for 1976-77 came to £1.51m., an increase of £125,000. Earnings are shown at 15.73p (19.5p) after a higher tax charge. The group is involved in the civil engineering contracting industry.

50% surge for Albert Martin

A JUMP of over £300,000 in second half profits have given Albert Martin Holdings a total of £1.69m. for 1977. This represents a 50 per cent. advance over 1976, from turnover that rose 38 per cent.

The company, which manufactures clothes, reports that the result has been achieved despite comparatively poor retail demand in the U.K. and illustrates particularly the success in overseas markets. There has been further significant expansion of productive capacity and capital expenditure reached a record.

Long term plans are to continue growth and expansion. While it is too early to predict the outcome for the current year the Board is confident that given reasonable trading conditions the group will achieve further progress.

In line with the forecast continued in the June 1977 rights issue, the final dividend is 2.196p per 20p share for a net total of 3.696p. This compares with 2.8140p paid in 1976 or with 2.6675p adjusting for the rights.

Earnings per share are shown at 23.45p, compared with 23.71p after the rights and complying with ED19 in regard to deferred tax.

● comment

Albert Martin's figures are right in line with market expectations so even a 50 per cent. jump in profits left the shares only 1p higher at 86p. At home Martin has been increasing its product lines for Marks and Spencer though the overall proportion of sales going to M & S slipped slightly to 41 per cent. Export growth has been buoyant, and the Hong Kong subsidiary has at last made a material contribution to profits amounting to £40,000. This operation is not only selling back to the U.K. but opening up markets in Europe and spear-heading the group's involvement with the growing Mothercare operation in the U.S. Further organic growth is expected this year while new lines—perhaps swimwear—will open up new areas of selling to M & S. However the main feautre of 1978 could be an acquisition—perhaps boosting the dividend at the same time. After the £530,000 rights issue last summer net debt fell from £920,000 to £140,000 despite over £700,000 of capital expenditure and a 22 per cent. increase in working capital requirements. The yield is 6.7 per cent. and the p/e only 3.6 on reported earnings, or 6 fully taxed, a fair rating against other M & S suppliers.

Little change at Glaxo in first half

SALES ahead from £233.8m. ...2.4m., pre-tax profit of ... Holdings rose from £39.4m. ...26m. in the six months to ...ber 31, 1977.

...profit includes investment ...eposit income—less loan ... and bank interest—of ..., compared with a £350,000 ...rom this source last time.

...tors say demand in the ...year continued to rise ...although trading conditions ...e markets were difficult. ...price increases have not ...lly kept pace with rising ...

...December 31 however the ...y has increased the prices ...e pharmaceutical products ...rectors are seeking more ...es.

...also say that the strength... ...pound affected results, both ...rowing export margins and ...g the sterling value of ...f overseas subsidiaries by ...nd their profits and net ...t assets by £3.5m. Differ... ...arising on the conversion of ... assets will be taken to ...s.

...seas sales for the year were ..., a 3 per cent. increase. ...U.K. sales, excluding whole... ...were 7 per cent. higher at ...U.K. wholesale turnover of ... was 20 per cent. up to ...

...rts to customers and sub... ...and associated companies ...as were up 11 per cent. to ...

...ctors say the new anti... ...ensive preparation, Tran... ...was introduced in the U.K. ...than a year ago and its ...ss has been encouraging. ...product has also been well ...ed in those overseas markets ... it has been introduced ...roxime, the company's new cephalosporin antibiotic, has just been put on the market in West Germany and Italy and is expected to be on the U.K. market shortly.

Murphy Chemical was sold in December, and in January, the group acquired the American pharmaceutical company Meyer Laboratories Inc. The figures given include the results of Murphy Chemical up to the date of sale but do not include those of the American subsidiary.

The interim dividend is lifted from 4p net per 50p share to 4.5p. Last year a 6.21p final was paid on record pre-tax profits of £87.02m.

	Half-year 1977-78 £000	1976-77 £000
External sales	252,400	233,800
Trading profit	36,900	39,750
Invest deposit income*	3,360	350
Profit before tax	40,260	39,400
Tax	20,800	20,100
Net profit	19,460	19,300
To minorities	760	750
Attributable	18,700	18,550

* Less loan stock and bank interest. † Debit.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

Interims—Smith Industries.

Finals—Camrex, Lyon and Lyon, Rio Tinto-Zinc, Senior Engineering, G. W. Sparrow.

FUTURE DATES

Interims—	
British Assets Trust	April 14
Burndene Investments	April 14
Ransome Hoffmann Pollard	May 24
Spencer Gears	April 26
Warner Estate	May 11
Finals—	
Babcock and Wilcox	April 12
Clayton	April 28
Clive Discount	April 20
East Rand Consolidated	April 13
Electrical and Industrial Secs.	April 24
Holyrood Rubber	April 20
Hongkong (Selangor) Rubber	April 20
Hopkinsons	April 28
Horizon Midlands	April 19
Kuala Selangor Rubber	April 19
London United Investments	April 17
Marshall's Universal	May 3
Miller (Stanley)	April 14
Pentland Industries	April 24
Perry (Harold) Motors	April 20
Richards & Wallington Industries	April 11
Stanley (A. G.)	April 13
Yorkshire Fine Woollen Spinners	April 13

Burgess Prods. first half profit

TURNOVER FOR the half year to January 28, 1978, of Burgess Products Company (Holdings) expanded from £7.41m. to £8.85m., and the group made pre-tax profits of £347,105 compared with a loss of £19,331.

The directors say that although it is anticipated that results for the year will be an improvement on 1976-77 when profits came to £557,470, there is the possibility of the second half not showing the improvement registered in same period last year.

After tax of £111,369 (£23,918) first half attributable profit is £2..,536 compared with a loss of £46,361.

Shareholders are to receive an interim dividend of 1p net per 25p share. Last year a single final payment of 2.3275p was made.

The group operates as acoustical and electrical engineers and manufacturers.

Optimism at Allen Harvey

FOLLOWING THE exceptional £1.2m. profit in 1977-78, Mr. M. E. B. Allsopp, chairman of Allen Harvey and Ross, the bill broking and merchant banking group, says that he does not expect the current year's result to be as high but at the moment he sees no reason why it should be unsatisfactory.

The group took full advantage of last year's favourable conditions and its success allows it to show its strongest-ever balance-sheet. All inner reserves have been improved and the tax equalisation account has moved into credit. Total published resources reached a record £5.93m. compared with £4.05m.

Bills discounted showed a rise from £83.65m. to £122.74m. and negotiable certificates of deposit were up from £41.07m. to £71.33m. Quoted investments were down from £59m. to £50.27m. reflecting a reduction from £26.44m. to £8.79m. in local authority and public board securities.

Mr. Allsopp mentions in detail the diversity of instruments in which the company now deals "which increases the number of customers whose short-term financial needs we can satisfy either as buyer or seller."

He notes a growing tendency to fund shorter and an increasing awareness of the attractions of straight debt financing as opposed to equity financing, which will give further area for growth for the business.

The record 1977-78 profit compared with £696,668. The dividend total is increased from 27.5p to 30.716p and a three-for-five scrip issue is also proposed.

Meeting, 45, Cornhill, E.C., May 3, at 1.30 p.m.

IBM U.K. advances to £110m.

On sales 17 per cent. ahead from £494m. to £579m., pre-tax profit of IBM United Kingdom Holdings rose £23m to £110m. in 1977. After tax of £53m. (£46m.) net profit was £57m. (£41m.).

Mr. E. R Nixon, the managing director, says the increase came as a result of increased productivity, a higher rate of installations and a high proportion of outright sales. Outright sales have the effect of realising income currently, which on a rental basis would be realised in future periods.

He says that while profits were again affected by inflation, the recent downward trend in profitability has been reversed.

Exports were up from £239m to £264m., and fixed asset investment was £17m higher at £89m.

Edinburgh Inv. Trust advances

From gross revenue of £4.14m. against £3.63m. net attributable profit of Edinburgh Investment Trust climbed from £1.6m. to £1.96m. in the year to March 31, 1978.

As already announced a 3.55p net per £1 share second interim dividend takes the total to 6.75p (5.55p).

Dividends absorb £1.87m. (£1.34m.), and net assets at market value are given at £85.47m (£80.39m.). After deducting prior charges at nominal value, attributable assets are shown at 265.9p (243.5p) per £1 share.

IN BRIEF

SANDERSON, MURRAY AND ELDER (HOLDINGS) (woolcombing, man-made fibre processing, topmaking and merchanting)—Sales for half year to December 31, 1977, £2.21m (£2.18m.) and profit £88,800 (£47,000) after depreciation £36,800 (£43,000), bank interest nil (£7,000), interest on secured loan £8,000 (£7,000) and investment income £21,600 (£19,000). After tax £7,000 (same) and minorities £500 (same), attributable profit £80,500 (£35,500). Earnings per 50p share 3.2p (1.9p). Directors intend to pay dividend not less than last year's 3.103p net. Compared with corresponding half year, delivery volume was similar at slightly better margins but new sales were lower and since November margins on process plant have deteriorated. Unless higher volume can be achieved in all sections, rate of profit of first half is not expected to be maintained up to June.

STILFONTEIN GOLDMINING COMPANY—Results for 1977 already known. Fixed assets R92.84m. (R89.24m.). Current assets R9.48m. (R9.43m.) and liabilities R9m. (R8.87m.). Meeting, Johannesburg, May 1.

ST. KITTS (LONDON) SUGAR FACTORY—Results for 1977 as known. Short term deposits £776,000 (£566,000), balances with bankers and cash £21,530 (£10,605), net current assets £1.19m. (£1.14m.), shareholders funds £805,653 (£775,116). Special resolution at EGM to voluntarily wind up company and to appoint liquidator, to be held at Winchester House, E.C., April 28, 11.15 a.m.

SINGLO HOLDINGS—Saleable crop 3,170,046 kgs. (3,029,000). Sold to March 31 2,419,783 kgs. (2,651,033) at 95.55p (98.29p) per kg. Market conditions were comparatively favourable up to the end of last year, but industry has been beset by a number of problems over which it had no control and immediate future of London market clouded by declared policy of the Prices Commission which, if implemented, could force the sale price to below comparative world levels. Subject to London market being allowed to return to normal, directors expect a further increase in profits on the Indian side. Malawi tea business will make a significant contribution to results. Useful initial contribution expected from giftware division and food and drink division. Full impact of these three new parts of business will appear in 1978-79 when a full year's profits will be consolidated.

GEORGE SPENCER—Results for 1977 reported March 17. Group fixed assets £3.89m. (£1.72m.), current assets £4.73m. (£4.15m.), liabilities £2.51m. (£2.11m.). Working capital up £914,867 (down £5,799). Chairman says forward order position is reasonable in all areas other than cut and sewn ladies' knitwear where changing fashions have created considerable over-capacity and future is lugubrious. Directors propose to increase present borrowing powers from £1.79m. to £5.10m. Meeting, Basford, Nottingham, April 28, noon.

THURGAR BARDEX (plastic products)—Results for 1977 reported March 23. Fixed assets £1.48m. (£1.38m.). Bank overdraft £148,728 (£503,716). Term loan of £300,000 repayable by equal annual instalments over seven years, coupled with improvement in net cash flow resulted in net current assets £420,638 (£53,701 liabilities). Net cash borrowing down £53,964 (up £340,002). Chairman says current indications are that first half results will show improvement over last year. Meeting, Kettering, May 3, at 11.30 a.m.

ALFRED WALKER AND SON (building and property)—Turnover for six months to October 31, 1977, £2,099,000 (£2,598,000). Pre-tax loss £43,000 (profit £22,500), tax nil (£13,300). Attributable loss £46,000 (profit £15,500) after minorities £3,000 (£10,000) and extraordinary credit £24,500 last time. Board state that present indications are that a break-even situation will be shown in the full 12-month period.

JOHN WILKES FOOTWEAR (HOLDINGS) (footwear, transport and shipping)—Turnover for 1977 £3.71m. (£3.73m.) and pre-tax profit £324,372 (£238,090). The company is privately-owned.

OIL AND GAS NEWS

OPEC liaison improves

EXECUTIVES FROM the nationalised oil companies of Organisation of Petroleum Exporting Countries (OPEC) yesterday started their first joint meeting on technical resources.

Mr. Ali Jaidah, the OPEC secretary general, told the meeting in Vienna that he hoped the companies could find a format for broadening co-operation particularly in the fields of management and technical co-operation.

There are also expected to be informal discussions about the erosion of oil revenues caused by the weakness of the dollar. OPEC figures have suggested that the exporters are losing between $12bn. and $17bn. a year because of currency movements.

* * *

THE United Arab Emirates have prepared proposals for pricing oil on a new basket of currencies. The aim is to maintain the purchasing power of oil revenues without replacing the U.S. dollar as the unit in which prices are expressed, Mr. Mana Al-Oteiba, the UAE Oil Minister, said in a newspaper interview.

Earlier Mr. Oteiba had stated the basket should be in three tiers. The first, representing 70 per cent. of the total, would be in hard currencies like the dollar, deutschemark, sterling and the Swiss and French francs.

The second tier, representing 20 per cent., would be made of currencies of oil exporters and the third tier, of 10 per cent., would be in gold.

Last year, the UAE lost between 8 and 9 per cent. of revenue because of dollar fluctuations, and this year the losses have risen to 11.5 per cent., Mr. Oteiba said.

* * *

Petroleum Development of Oman (PDO), which is 60 per cent. owned by the Government, has made what it calls a "most encouraging" oil find in Dhofar Province. It plans to build a 500 km pipeline to link production fields in the province to an oil terminal near Muscat.

Plans to cary Dhofar oil to a new terminal in the province have been scrapped in favour of the new pipeline which will link with another carrying crude oil from Oman's major oil fields in the north.

PDO's main foreign partner is Royal Dutch Shell.

* * *

Continental Oil Company and the U.S. Department of Energy are embarking on a nine years project to test a chemical process for increasing oil production. The cost will be $35.5m. (£18.9m.). The work will take place in Wyoming and the idea is to use a water-based hydrocarbon and chemical fluid to wash the oil out of underground rock formations.

* * *

Mitsui Oil Exploration of Japan has acquired 10 per cent. of the concession rights in the Salawati oil field in West Iran from North Central Oil of Indonesia. A group led by Petromer Trend Corp of the U.S. is producing 71,000 barrels a day of low sulphur crude at the field.

* * *

Australian oil imports will triple to 600,000 barrels a day by 1985 and the cost will quintuple to $A4bn. (£2.1bn.), Sir James McNeill, the chairman of Broken Hill Proprietary told the Australian Petroleum Exploration Association. He urged the Government to quadruple domestic crude prices to give them parity with imports as soon as possible after 1981.

* * *

French oil imports declined in the first two months of this year to 19.73m. tons from 21.18m. tons in the same period of 1977, according to *Bulletin de l'Industrie Petroliere*. The overall value of the imports in January and February was Frs.9.68bn. (£1.13bn.).

BTR

The American operations of BTR have been further expanded by adding to the manufacturing capacity of its subsidiary Permali Inc of Mount Pleasant, Pennsylvania. Total value of the investment is around $2.25m.

MINING NEWS

Canada's gold industry looking brighter

BY KENNETH MARSTON, MINING EDITOR

WHILE Canada's gold mines are not yet enjoying the buoyant conditions experienced in the 1974 bullion price boom they are reporting healthy earnings increases over 1976, reports John Soganich from Toronto.

Camflo Mines, for example, which operates in the Malartic district of north-west Québec has achieved an 81 per cent. jump in 1977 net income to $C3.7m. (£1.73m.), or $C1.08 per share, from just over $C2m. in 1976.

Apart from the substantially higher bullion prices, the company enjoyed increased income from oil and gas operations which contributed $C1.8m. to the total revenue of $C16m.

Queenston Gold Mines, one of the smaller Canadian mining exploration companies, plans to take a working option on the gold prospect holdings of Gateford Mines in the Kirkland Lake area of north-east Ontario.

These include the workings of the Golden Gate and Crescent properties from which intermittent production was obtained during the 1930s and 1940s. Crescent is on the reputed site of the original gold discovery in the Kirkland Lake camp in 1906.

Queenston, which already has extensive prospect holdings in the area, is understood to be planning additional acquisitions. Meanwhile, Canadian Nickel, the exploration arm of Inco, has a work programme under way on Queenston ground which includes areas with indicated ore tonnages from previous operations.

Elsewhere in the area, Mr. Paul Penna's Sudbury Contact Mines reports that "in view of the current strength in gold" it intends to resume exploration work on its properties in the Larder Lake section of the Kirkland Lake camp. Mr. Penna is best known on this side of the Atlantic for his successful Agnico-Eagle operations.

The Australian Government has introduced a legislative package in Parliament aimed at getting uranium mining under way in the Northern Territory this year. The legislation, in six Bills, covers environment, safeguards, protection of Aboriginals, and regulation of mining and milling. Mr. Doug Anthony, Trade and Resources Minister, is reportedly urging quick action. Development of uranium is needed to start soon in the dry season if overseas contracts are to be met, he said.

ROUND-UP

Iron ore operations at the Rio Tinto-Zinc group's Hamersley operation in Western Australia were halted on Friday following a strike by members of the Australian Workers Union. The action stemmed from the death of a man from pneumonia in January. Four more iron ore industry unions have joined the strike and others are considering joining in. Hamersley has asked for the State Industrial Commission to hold a compulsory conference of the parties today.

* * *

The Consolidated Gold Fields group's Australian Associated Minerals Consolidated is linking with Consolidated Rutile to jointly mine and process rutile and zircon orebodies along a common lease boundary on the eastern side of North Stradbroke Island. The joint venture is expected to start in the first quarter of the next financial year and run for an initial period of three years.

* * *

Bond Corporation's acquisition of a 25 per cent. stake in Endeavour Resources, the Melbourne mineral and oil explorer, has received 95 per cent. approval in a poll at Endeavour's extraordinary annual meeting. A capital reconstruction of the Endeavour, also approved, will leave the authorised capital $20m. (£11.9m.) divided 100m. shares of 20 cents.

Cyprus Anvil dividend pause

CANADA'S Cyprus Anvil Mi[...] is to review the question [...] dividend payments later this y[...]. The company omitted a 15 c[...] (7p) dividend for the first qua[...] owing to lower prices for zin[...].

Cyprus Anvil said the sh[...] term outlook for the lead-[...] industry is unchanged with c[...] tinuing strong demand for l[...] but a surplus of supplies and prices for zinc. However, so[...] improvement is expected at [...] 1978.

New long-term lead-zinc s[...] contracts have been negotia[...] with Toho Zinc and Mi[...] Mining and Smelting of Ja[...] and Metallgesellschaft of Germany for about 75 per ce[...] of its planned production [...] year.

The company also report[...] that exploration work on the [...] deposit near the company's An[...] mine near Faro, Yukon, "rep[...]sents a potentially substant[...] addition to reserves in the An[...] district."

Six out of the 12 drill ho[...] encountered sections of 10 to [...] feet of greater than 11 per ce[...] combined lead-zinc. The b[...] continuous assay section was [...] 84 feet of 6.37 per cent. le[...] 11.58 per cent. zinc and 115 gra[...] per metric ton of silver. Ad[...]tional drilling is planned this ye[...] to further delineate the depo[...] and to test another favourab[...] geological section located in t[...] south-east.

MINING BRIEFS

GEEVOR TIN—March returns: 11,[...] tonnes treated produced 85 tonnes bla[...] tin (65 per cent. Sn.) including 8 ton[...] low grade concentrates (February outp[...] 89 tonnes).

SAINT PIRAN—Production of tin co[...]centrates for March: U.K. 201 tonn[...] (70 per cent. tin metal): Malaysia [...] tonnes: Thailand 54 tonnes. Februar[...] 17,120 and 88 tonnes respectively.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on April 10, 1978. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

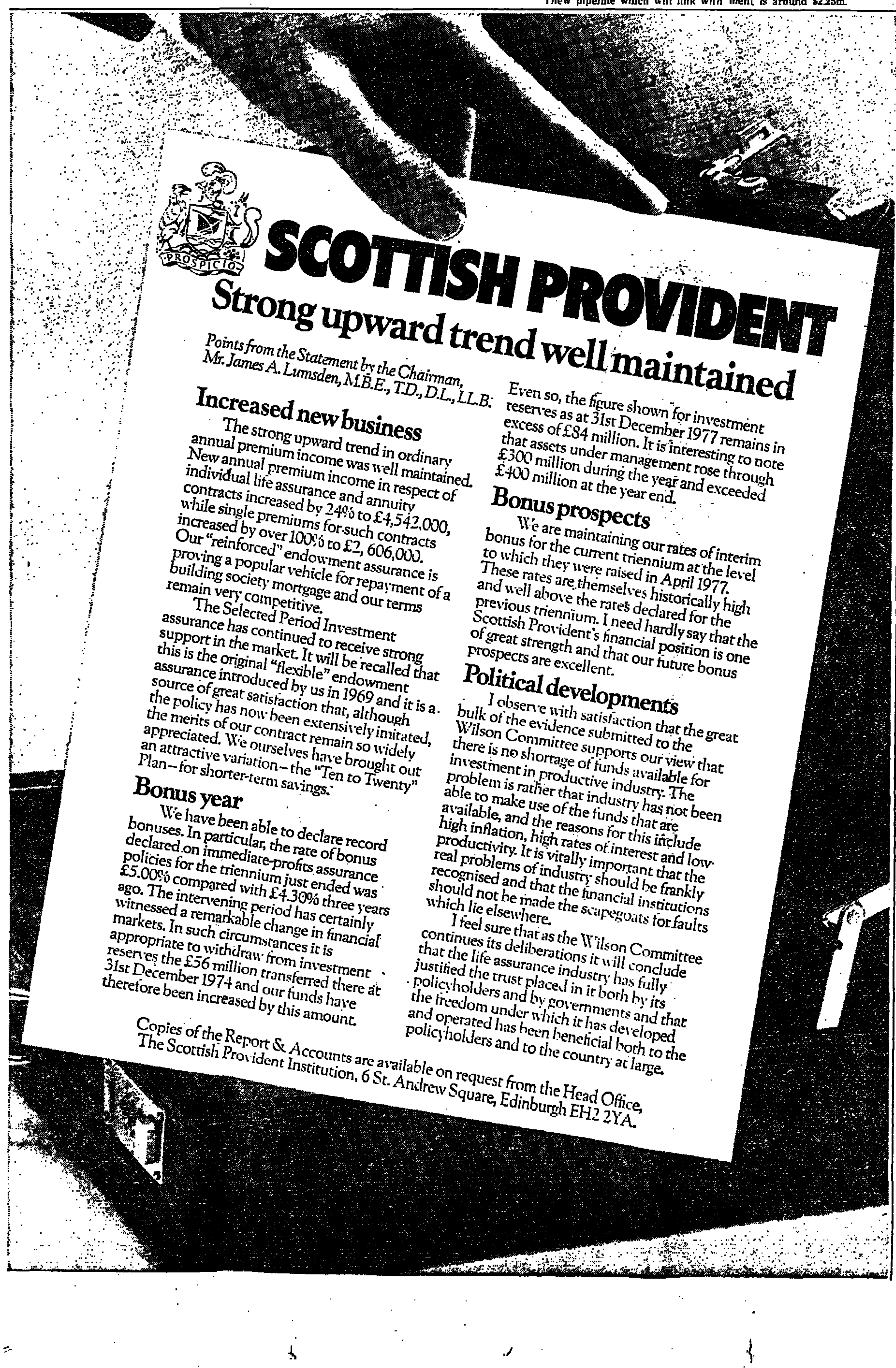
Abbreviations: (S) member of the sterling area other than Schedule Territories; (k) Scheduled Territory; (o) official rate; (F) fre[e] rate; (T) tourist rate; (n.c.) non-commercia[l] rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate (bg) buying rate; (nom.) nominal; (exC) exchange certificates rate; (P) based on U.S. dollar parities and going sterling dollar rate (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place	Local Unit	Value of £ Sterling
Afghanistan	Afghani	65.60
Albania	Lek	O10.1286
Algeria	Dinar	7.5782
Andorra	French Franc	8.54¼
	Spanish peseta	149.40
Angola	Kwanza	n.a.
Antigua (S)	E.Caribbean $	5.0712
Argentina	Ar. Peso Free Rate	1.670
Australia (S)	Australian $	1.6567
Austria	Schilling	27.15
Azores	Portug. Escudo	77.00
Bahamas (S)	Ba. Dollar	1.8765
Bangladesh (S)	Taka	28.70
Bahrain (S)	Dinar	0.726
Balearic Is.	Spa. Peseta	149.40
Barbados (S)	Barbados $††	3.765
Belgium	B. Franc	(cm) 58.80 (fn) 58.90
Belize	B $	3.755
Benin	C.F.A. Franc	426
Bermuda (S)	Bda. $	1.8765
Bhutan	Indian Rupee	15.674
Bolivia	Bolivian Peso	37.53
Botswana (S)	Pula	1.55404
Brazil	Cruzeiro ††	31.67
Br. Virgin Is. (S)	U.S. $	1.8765
Brunei (S)	Brunei $	4.3275
Bulgaria	Lev	1.71
Burma	Kyat	12.858
Burundi	Burundi Franc	168.875
Cameroon Rp	C.F.A. Franc	427½
Canada	Canadian $	2.1450
Canary Is.	Spanish Peseta	149.40
Cape Verde I.	Cape V. Escudo	n.a.
Cayman I. (S)	Cay. I. $	1.55675
Cent. Af. Rp.	C.F.A. Franc	427½
Chad	C.F.A. Franc	427½
Chile	C. Peso	(Bk) 61.56
China	Renminbi Yuan	3.1554
Colombia	C. Peso	(F) 71.60
Comoros Is.	C.F.A. Franc	427½
Congo (B'ville)	C.F.A. Franc	427½
Costa Rica	Colon	16.1679
Cuba	Cuban Peso	1.4165
Cyprus (S)	Cyprus £	0.7075
Czechoslovak.	Koruna	(com) 10.50 (nc) 20.60 (T) 17.56
Denmark	Danish Krone	10.41½
Djibouti	Fr.	325 (sg)
Dominica (S)	E. Caribbean $	5.0712
Domin. Rep.	Dominican Peso	1.8765
Ecuador	Sucre	(O) 48.75 (F) 46.64
Egypt	Egyptian £	(O) 0.735 (T) 1.35
Ethiopia	Ethiopian Birr	(P) 3.8865
Eq'l Guinea	Peseta	149.40
Falkland Is. (S)	Falkland Is. £	1.0
Faroe Is.	Danish Krone	10.41½
Fiji Is.	Fiji $	1.60365
Finland	Markka	7.80
France	French Franc	8.54¼
Fr. C'ty in Af.	C.F.A. Franc	427½
Fr. Guiana	Local Franc	8.54¼
Fr. Pac. Is.	C.F.P. Franc	[illegible]
Gabon	C.F.A. Franc	427½
Gambia (S)	Dalasi	[illegible]
Germany (East)	Ostmark	3.77
Germany (West)	Deutschmark	3.77
Ghana (S)	Cedi	2.11 (sg)
Gibraltar (K)	Gibraltar £	1.00
Gilbert Is.	Aust. Dollar	1.6567
Greece	Drachma	68.86865
Greenland	Danish Kroner	10.41½
Grenada (S)	E. Caribbean $	5.0712
Guadaloupe	Local Franc	8.54¼
Guam	U.S. $	1.8765
Guatemala	Quetzal	1.8765
Guinea Rep.	Syli	39.516
Guinea Bissau		71.124
Guyana (S)	Guyanese $	4.7851
Haiti	Gourde	9.3825
Honduras Rep.	Lempira	3.76
Hong Kong (S)	H.K. $	8.6525
Hungary	Forint	(com) 72.86 (T)(nc) 66.56
Iceland (S)	I. Krona	474.80
India (S)	Ind. Rupee	15.674
Indonesia	Rupiah	778.7475
Iran	Rial	(A) 132
Iraq	Iraq Dinar	0.5454
Irish Rep. (k)	Irish £	1.00
Israel	Israel £	30.9665
Italy	Lira	1,596½
Ivory Coast	C.F.A. Franc	427½
Jamaica (S)	Jamaica Dollar	2.5551
Japan	Yen	415
Jordan (S)	Jordan Dinar	0.585 (sg)
Kampuchea	Riel	2261.8
Kenya (S)	Kenya Shilling	14.6149
Korea (Nth)	Won	1.7835 (I)
Korea (Sth)	Won	901.93
Kuwait (S)	Kuwait Dinar	0.514
Laos	Kip Pot Pol	375.5
Lebanon	Lebanese £	5.4906
Lesotho	S. African Rand	1.626119
Liberia	Liberian $	1.8765
Libya	Libyan Dinar	(P) 0.5556
Liechtenstein	Swiss Franc	3.48
Luxembourg	Lux Franc	58.80
Macao	Pataca	9.3875
Madeira	Portug'se Escudo	77.00
Malagasy Rp.	MG Franc	427½
Malawi (S)	Kwacha	1.67
Malaysia (S)	Ringgit	4.425
Maldive Is. (S)	Mal Rupee	7.375
Mali Rp.	Mali Franc	8.54¼
Malta (S)	Maltese £	0.73
Martinique	Local Franc	8.54¼
Mauritania	Ouguiya ‡	85.8612
Mauritius (S)	M. Rupee	11.6836
Mexico	Mexican Peso	42.65
Miquelon	C.F.A. Franc	427½
Monaco	French Franc	8.54¼
Mongolia	Tugrik	(O) 5.856(3)
Montserrat	E. Caribbean $	5.0712
Morocco	Dirham	7.80 (sg)
Mozambique	Moz. Escudo	60.508
Nauru Is.	Aust. Dollar	1.6567
Nepal	Nepalese Rupee	22.516
Netherlands	Guilder	4.0275
Neth. Antilles	Antillian Guild	3.3589
New Hebrides	Franc	158.061
	Austl. Dollar	1.6567
N. Zealand (S)	N.Z. Dollar	1.82385
Nicaragua	Cordoba	13.17
Niger Rp.	C.F.A. Franc	427½
Nigeria (S)	Naira	1.16116
Norway	Norg. Krone	9.93¼
Oman Sul'ate of (S)	Rial Omani	0.647
Pakistan	Pkst. Rupee	[illegible]
Panama	Balboa	1.8765
Papua N.G. (S)	Kina	[illegible]
Paraguay	Guarani	234
P'pl's D. Rp. of Yemen (S)	S. Yemen Dinar	(A) 0.6408
Peru	Sol	exc(A) 244
Philippines	Ph. peso	13.836
Pitcairn Is. (S)	£ sterling	—
	New Zealand $	1.82385
Poland	Zloty	(Cm) 62.28 (T) 52.28
Portugal	Pgse. Escudo	77.00
Port Timor	Timor Escudo	77.00
Principe Isle.	Pgse. Escudo	77.00
Puerto Rico	U.S. $	1.8765
Qatar (S)	Qatar Ryal	7.25
Reunion Ile de la	French Franc	8.54¼
Rhodesia	Rhodesian $	1.30135
Romania	Leu	(cm) 8.45 (nc)(T) 22.78
Rwanda	Rwanda Franc	176.26
St. Christopher (S)	E. Caribbean $	5.0712
St. Helena	St. Helena £	1.0
St. Lucia (S)	E. Caribbean $	5.0712
St. Pierre	C.F.A. Franc	427½
St. Vincent (S)	E. Caribbean $	5.0712
Salvador El	Colon	4.69
Samoa (Am)	U.S. $	1.8765
San Marino	Italian Lire	1,596½
Sao Tome	Pg'se Escudo	77.00
Saudi Arabia	Ryal	6.45
Senegal	C.F.A. Franc	427½
Seychelles	S. Rupee	13.33
Sierra Le'ne (S)	Leone	2.0
Singapore (S)	Singapore $	4.3275
Solomon Is. (S)	Australian $	1.6567
Somali Rep.	Som Shilling	(A) 11.8128
S. Africa (S)	Rand	1.626119
S.W. African Territories (S)	S.A. Rand	1.626119
Spain	Peseta	149.40
Span. Ports in North Africa	Peseta	149.40
Sri Lanka (S)	S.L. Rupee	29.16
Sudan Rp.	Sudan £	(A) 0.6534
Surinam	S. Guilder	3.3589
Swaziland (S)	Lilangeni	1.626119
Sweden	S. Krona	8.66¼
Switzerland	Swiss franc	3.48
Syria	Syria £	(A) 7.365
Taiwan	New Taiwan $	(P) 71.307
Tanzania (S)	Tan. Shilling	14.81
Thailand	Baht	38.155
Togo Rp.	C.F.A. Franc	427½
Tonga Is. (S)	Pa'anga	1.6429
Trinidad (S)	Trin. & Tobago $	4.5056
Tunisia	Tunisian Dinar	0.770 (sg)
Turkey	Turkish Lira	45.75
Turks & Caicos	U.S. $	1.8765
Tuvalu	Australian $	1.6567
Uganda (S)	Ug. Shilling	14.575
United States	U.S. Dollar	1.8765
Uruguay	Uruguay Peso	(cm) 10.32 (fn) 10.16
Utd. A'b Emirates	U.A.E. Dirham	7.28
U.S.S.R.	Rouble	1.34
Upper Volta	C.F.A. Franc	427½
Vatican	Italian Lire	1,596½
Venezuela	Bolivar	8.05
Vietnam (Nth)	Dong	(O) 4.616 (T) 4.5791
Vietnam (Sth)	Piastre	[illegible]
Virgin Is. U.S.	U.S. Dollar	1.8765
Western Samoa (S)	Samoan Tala	[illegible]
Yemen	Ryal	[illegible]
Yugoslavia	New Y Dinar	[illegible]
Zaire Rp.	Zaire	[illegible]
Zambia	Kwacha	[illegible]

* That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa. † Rupees per pound. ‡ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

§ General rates of oil and iron exports [illegible]. ¶ Based on cross rates against Russian rouble. ‖ Rate is the Transfer market (controlled). †† Rate is now based on 2 Barbados $ to the dollar. ‡‡ Now one official rate.



هكذا من الأصل

Hewden-Stuart ahead to over £4.5m.

THOUGH MARGINS have not terially improved, profits, ore tax, of Hewden-Stuart nt went ahead by £1.09m. to 59m. in the year ended January 1978.

teporting on the first half the ectors said that trading condi- ns were deteriorating in some as though improving mode- ely in others. And having re- d to the excellent midway re- t they considered that profits the second six months would eed those of the same 1976-77 iod—in the event they ex- ded from £1.85m. to £2.35m.

On the basis of turnover at m. against £52m., the directors nt out that margins are less n one third of the level med appropriate by the Prices ard.

Earnings per 10p share are ted to be up from 8.21p to 22p. The dividend is effectively sed from 1.14567p to 1.28839p, h a net final of 0.86839p. A ther scrip issue, this time on a e-for-five basis is also proposed. Any tax changes arising from day's Budget will be incor- rated in the final dividend.

The directors say that the ccess of the group stems from spread of inter-connected tivities and geographical loca- ns. These have been augmented ently by expansion into quarry- , transport and blockmaking Shetland and pipe fabrication Glasgow.

These new ventures should ntribute to profits in the rrent year; meanwhile the tial setting up costs and losses ve been written off. All other erational divisions improved ofits including the earthmoving e division, although in this ctor heavy plant suffered verely from a shortage of work d "suicidal rates," and incurred bstantial losses.

As regards the current year ternal figures available indicate at despite appalling weather ere has been a small overall provement compared with last ar.

The contracts division has cently seen an upturn in nders and work obtained, and this experience is in line with e rest of industry the hire visions should benefit in due urse. The unmanned plant vision also shows a better level activity.

The crane hire division in which e group has invested heavily r the 1980s experienced severe ice competition in the second lf of last year and these con- tions continue.

The directors believe that the oup is uniquely placed to benefit om any upturn in national tivity, but even failing this is ll in a good position to main- in the progress of recent years. Cash flow during the year was up from £7.4m. to £9.44m.—equal to 22.23p (18.28p) per share.

Capital expenditure exceeded £16m. bringing the total invested in the last three years to more than £33m. Borrowings increased by some £6m. but gearing remains low and is adequately supported by the large cash flow, the directors state.

As a result of low profit margins and capital expenditure, no material provision for tax is necessary and £7,131,388 is being transferred to reserves from the amount set aside for deferred tax in previous years.

The results have not been re- cast in accordance with the Hyde guidelines. In the opinion of the directors, who are fully aware of the implications of inflation, "management is better employed managing than in calculation of theoretical accounting formulae the results of which are meaning- less to the Board, incomprehen- sible to management, employees and most investors; and useless in comparing companies within the same industry."

● comment

It has not been an easy year for plant hire, but even so Hewden-Stuart has increased pro- fits by 31 per cent. with a small gain in profit margins to 7 per cent. Plant utalisation is still down to around the 60-65 per cent. range, compared with a peak level of around 80 per cent., though this could show a 10 point improvement in 1978. Plant sales can distort the profits picture, but H-S reckons that the cost of extra depreciation (over £1m. last year) from new plant investment more than offsets the profits from plant sales. So the overall picture is fairly representative of the year's trading. Apart from the extra utilisation anticipated this year, a small increase in demand coupled with a reduction in the amount of plant available (some of the smaller firms closed down last year) should leave the way opened for increased hire charges and improved profit margins. Crane hire may still be slack in 1978 but Hewden sees an increase in demand for earth-moving equipment which should return that side to the black this year. Overall profits could reach £6m. this year, which should give sup- port to the current yield of 3½ per cent. and p/e of 5½ at 57p. Meantime net borrowings are £13½m. compared with share- holders' funds of £26m.

Increase by Triplevest

Revenue for the year to February 28, 1978, of Triplevest advanced from £942,960 to £1.05m. after tax of £610,462 compared with £579,541.

The final dividend is 2.082p net per 50p income share for a 4.394p (3.929p) total.

The net asset value per £1 capital share stood at 281½p (223¾p) at the year-end.

H. Cory meets forecast

TRADING PROFITS for 1977 of Horace Cory and Co., the chemical colour manufacturing group, advanced from £405,918 to £554,437 and after interest receivable of £37,093, against £34,480, pre-tax profits were up from £440,398 to £591,530. Turn- over expanded from £1.86m. to £2.58m.

In August, reporting first half pre-tax profits ahead from £170,000 to £316,000, the directors said that full year trading profits would not be less than £0.55m.

Full year earnings are shown at 3.81p (2.91p) per 5p share and the dividend total is raised from 0.5986p to 0.6745p net with a final of 0.3375p.

	1977 £	1976 £
Turnover	2,575,406	1,858,862
Trading profit	554,437	405,918
Interest receivable	37,093	34,480
Profit before tax	591,530	440,398
Tax	238,000	170,000
Net profit	353,530	270,398
Dividends	65,750	57,664
Retained	287,780	212,734

An amount of £145,389 has been trans- ferred from deferred tax to reserves, being that part of deferred liability which is unlikely to have to be met in foresee- able future.

Beatson Clark drawback

Owing to an expected two month loss of production at its Rotherham works, 1978 profit of Beatson Clark is not anticipated to be above last year's record £2.36m., Mr. A. W. Clark, chair- man, says in his annual statement.

However, directors are confident about the future demand for its glass containers.

The loss of production, expected in August and September, stems from the group's £2.3m. moderni- sation of the older production shop at Rotherham.

The expenditure will lift over- all output by 15 per cent., but production will be lost as the old furnace is demolished and a new one built in its place.

The benefit of the new produc- tion capacity will become avail- able principally in 1979.

To meet customer requirements in 1977 Beatson supplemented its own production with imports of pharmaceutical bottles.

Export sales also increased from £3.61m. to £4.31m., with a substan- tial increase in sales to conti- nental Europe.

During the year a revaluation of freehold properties produced a total value of £5.96m.—£3.28m. above book value. The surplus was transferred to reserves.

There was an overall net inflow of funds of £0.28m. (£1.06m.) in the year, which was put to the repayment of a medium term loan of £0.75m. and a £68,000 reduction in bank borrowings. Beatson has arranged a £1m. medium term loan for the current year.

Meeting, Sheffield, May 11, at 12.30 p.m.

Prospects mixed at R. Cartwright

Mr. J. C. Northam, the chair- man of R. Cartwright (Holdings) says that future prospects of its engineering operations look good, while those for the hardware companies are somewhat less certain.

In his annual statement he says that while the indications are that the building industry is picking up, no-one is sure of the scope of the improvement. If the recovery does come, he is sure Cartwright is in a good position to benefit.

The re-appraisal of its hard- ware production has continued and the results are now coming through in improved output figures. The lock company has also made a significant advance.

During the year one of its engineering subsidiaries was moved to a larger factory and larger premises are being sought for the other engineering com- pany.

Pre-tax profit last year climbed from £0.42m. to £0.67m., with liquid funds increasing £0.44m. (£82,503 decrease).

After additional depreciation of £40,000, a cost of sales adjust- ment of £98,500 and a gearing adjustment of £25,000, current cost profit is shown at £555,883.

Meeting, Birmingham, May 3 at noon.

City and Commercial

Mr. R. P. Bleichroeder, chairman of City and Commercial Invest- ment Trust, tells members that while revenue in the current year is not expected to increase by as much as in 1977-78, a further rise in dividend is expected.

In the year ended January 31 1978 net taxed revenue rose from £372,108 to £420,850. The dividend was increased from 1.575p to 1.879p net.

At the year-end investment trusts accounted for 81 per cent (77 per cent) of the company's total investments. The share prices of these have performed less well than the U.K. market as a whole, largely reflecting the high overseas content in the assets of investment trusts. It is estimated that 23 per cent. of these assets are invested in North America, with 13 per cent. in other overseas markets.

In view of the uncertain out- look the company's liquidity was raised to 7 per cent. of total assets by the year-end compared with 3.9 per cent. a year earlier.

It is proposed that the directors receive by way of fees a further sum not exceeding £9,000 per annum in total. Present rates are £1,500 for the chairman and £750 for each of the directors.

Meeting, 117 Old Broad Street E.C., May 4 at 12.15 p.m.

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)

Conditions remained rather ervous in the London money arket yesterday, with discount ouses keen to sell longer dated reasury bills on fears of a gnificant rise in Bank of ngland Minimum Lending Rate the near future. The houses uying rates for three-month reasury bills remained above the igger point for a rise in MLR, hile longer-term fixed-period rates were firm on the approach of to-day's Budget.

Day-to-day credit was in short supply and the authorities gave assistance by buying an excep- tionally large amount of Treasury bills from the discount houses, and a small number of local authority bills.

Banks brought forward run down balances, and the market was also faced with a substantial net take-up of Treasury bills, and the monthly adjustment of special deposits. On the other hand fairly large Government disburse- ments exceeded revenue pay- ments to the Exchequer, and there was a very slight fall in the note circulation.

Discount houses paid 5-5½ per cent. for secured call loans in the early part, but closing balances were taken at 2½-3 per cent., indicating that the amount of help given to the market was probably overdone.

In the interbank market over- night loans opened at 5-5¼ per cent., and touched 5½-5¾ per cent., before falling to 3-3¾ per cent. at lunch. Rates rose to 4-4½ per cent. in the afternoon, and closed at 3-3¼ per cent.

Apr. 10 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	3-5¾	—	—	—	4¾	2½-5½	—	—	—
2 days notice	—	—	5¼-5½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	4¾-5¾	5⅝-5⅞	—	5⅞-6¼	5¾	4⅛-5⅜	—	—	—
One month	6¼-6[illegible]	6⅛-6[illegible]	6⅛	6⅜-6⅜	6⅜-6⅝	6½	5½-5¾	5⅞-5[illegible]	6⅛	7
Two months	6¾-6⅝	6⅝-6¾	—	6¾-6⅝	6¾-7	7	6-6⅛	5¾ 6	6[illegible]	7¼
Three months	7[illegible]-7	7-7[illegible]	7	6⅞-6½	7⅛-7⅜	7½	6¼	5[illegible]-6⅛	7	7⅜
Six months	7¾-7[illegible]	7¾-8	7⅝-7¾	7⅝-6⅞	8-8⅛	—	—	—	7½-7[illegible]	7¾
Nine months	8[illegible]-7[illegible]	8[illegible]-8[illegible]	—	8⅜-7⅞	8½	—	—	—	—	—
One year	8[illegible]-7[illegible]	8[illegible]-8½	8¼-8½	8½-8⅛	8¾	—	—	—	—	—
Two years	—	—	9¼-9½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate ominally three years 10½-10¾ per cent.; four years 10¾-11 per cent.; five years 11½-11¾ per cent. ♦ Bank bill rates in table are uying rates for prime paper. Buying rates for four-month bank bills 7[illegible]-7¼ per cent.; four-month trade bills 7¾ per cent.

Approximate selling rates for one-month Treasury bills 5[illegible] per cent.; two-month 5[illegible] per cent.; and three-month [illegible]-6 per cent. Approximate selling rate for one-month bank bills 6 per cent.; two-month 6[illegible] per cent.; and three-month per cent. One-month trade bills 6¾ per cent.; two-month 7¼ per cent.; and also three-month 7¼ per cent.

Finance House Base Rates (published by the Finance Houses Association) 7 per cent. from April 1, 1978. Clearing Bank eposit Rates (for small sums at seven days' notice) 3 per cent. Clearing Bank Base Rate for lending 6½ per cent. Treasury ills: Average tender rates of discount 5.9961 per cent.

82 companies wound-up

Orders for the compulsory wind- ing up of 82 companies were made by Mr. Justice Oliver in the High Court yesterday. They were: Central Garage (Felpham), Masterbell, Cox Bros. (Mechanical Engineers), Henry Stone and Son (Furniture), P. and H. Transport and Pictographic Industrial Safety Signs.

Express Staff Agency, Express Computing Personnel, Caleb Lee and Sons, Gowbrook, Heatloss Control and Hind Shield Guest House.

Hubert Jones (Trawlers), R. Frith, W. Tomlin and Son, A.B.B. Guest Vision, Barking Marina and Engineering Company and Bury Roofing Contractors.

Directors' Chauffeur Drive, Doweld (Pudsey), Hawkwind, Temcroft Builders and Moyle and Moyle and Sons.

Mandonbrook, Camden Fashions, E. N. Oldfield Security, Pneumatic Tool Service, Proximity Switches and Rega Construction Company.

Sturico Security, Geminiscan, Willesden Plant Hire, Groatlan Properties, V. and A. Cooper (Nottingham), Modern Quilting Company and Brooklands Garages (Norwood).

Tran and Co., Venesta Inter- national, Commercraft, Bluesteel Productions, Naside Properties and Shawmark Properties.

Jarrold and Gwynne, Tentair, Thames Valley Stainless Steels, Balham Steel Protection Ser- vices, K.E.B. International Leisure Goods, Tally-Ho Electric and Mentage.

Gwent Meat Products, Veteran Tours, Ruby and John, Search- worth, Centremill and Danel Models.

Martin Noel Associates, Planet Furniture, Penge Plastics, W. Meldram (Haulage), West Clacton Laundry, W. V. Taylor and Son (1909) and Keane and Gore.

Alan Dumbleton, J. B. Riney (Civil Engineering), Gerald Vending Services, Road Machines (Drayton), Corehunt Properties, Burdett Motors and Face Builders.

Advance Window and General Cleaning Company, Main Builders, Valcast Properties, Suede Style, World Reporting and Datmirror.

Eurospace Marketing Services, Vingt Trois, South Hants Auto- matic Transmissions, La Valliere, Day Brothers Developments, Tilhome and Castle Design and Engineering Company (Swansea).

APPOINTMENTS

COMMODITY APPOINTMENTS LTD. International Recruitment specialists for the Commodity Markets. Tel. Graham Stewart. 01-439 1701.

WANTED

NON-EXECUTIVE DIRECTOR: Director in early 40s, with several years of boardroom experience at the top of a major industrial public company, seeks further non-executive directorships/consultancies. Write Box A.6315, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL APPOINTMENTS

COMPANY NOTICES

NOTICE
ANNUAL REPORT OF SANDVIK AKTIEBOLAG, SWEDEN

Notice is hereby given that copies of the Annual Report of Sandvik Aktiebolag covering the 1977 activities will be available — from May 10, 1978 — at the offices of:

CREDIT SUISSE WHITE WELD LTD.
122 Leadenhall Street
London EC2V 4QH
SANDVIK AKTIEBOLAG

ZAMBIA COPPER INVESTMENTS LIMITED
(Incorporated in Bermuda)

NOTICE OF SPECIAL GENERAL MEETING

Notice is accordingly hereby given that a special general meeting of the members of Zambia Copper Investments Limited will be held at the Bank of Bermuda Building, Front Street, Hamilton, Bermuda on 2nd May, 1978, at 10.00 a.m. for the purpose of considering and, if deemed fit, passing with or without modification, in the manner required by the laws of Bermuda, the following resolution as an ordinary resolution, namely:

"THAT the actions of the directors (i) in entering into an agreement with Minerals and Resources Corporation Limited (a true copy of which, signed for identification by the Chairman of this meeting, has been laid before this meeting) and (ii) in arranging for ZCI to co-operate in and assist the restructuring of the finances of Botswana RST Limited and BCL Limited as described in the recitals to the said agreement and in the circular containing the notice convening this meeting, be and the same are hereby approved and confirmed."

The undermentioned documents are available for inspection during normal business hours on any weekday except Saturdays and public holidays up to and including the date of this meeting at the registered office of the Company and at 40, Holborn Viaduct, London EC1P 1AJ, England, and 44, Main Street, Johannesburg, 2001 South Africa:—

(a) the agreement between ZCI and Minorco referred to above and copies of documents setting out the original indemnity arrangements between Minorco and ZCI.
(b) the Incorporating Acts and Bye-Laws of ZCI.
(c) the annual report and accounts of ZCI for the two financial years ended 30th June, 1976, and 1977.
(d) letter dated 7th April, 1978, from Kleinwort, Benson Limited confirming its consent referred to in this circular.
(e) copy of the agreement dealing with services to be provided for BCL by AAC as more particularly described in paragraph 2. of the Appendix hereto.

An announcement regarding the outcome of the special general meeting will be published in the press on 3rd May, 1978.

A member entitled to attend and vote at the meeting is entitled to appoint another member as his proxy to attend and, on a poll, to vote in his stead.

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

A form of proxy to enable shareholders to vote for or against the resolution is enclosed for those members who wish to be represented at the meeting but who are unable to attend in person. Proxy forms must be returned to the company's registered office or to the offices of the local share registrars in the United Kingdom or the Republic of South Africa so as to arrive at least 48 hours before the time appointed for the holding of this meeting.

By Order of the Board.
D. F. ELLIS, Secretary.

Pembroke,
Bermuda.
10th April, 1978.

MINERALS AND RESOURCES CORPORATION LIMITED
(Incorporated in Bermuda)

NOTICE OF SPECIAL GENERAL MEETING

Notice is accordingly hereby given that a special general meeting of the members of Minerals and Resources Corporation Limited will be held at the Bank of Bermuda Building, Front Street, Hamilton, Bermuda, on 2nd May, 1978, at 9.30 a.m. for the purpose of considering and, if deemed fit, passing with or without modification, in the manner required by the laws of Bermuda, the following resolution as an ordinary resolution, namely:

"THAT the actions of the directors (i) in entering into an agreement with Zambia Copper Investments Limited (a true copy of which, signed for identification by the Chairman of this meeting, has been laid before this meeting) and (ii) in arranging for the corporation to co-operate in and assist the restructuring of the finances of Botswana RST Limited and BCL Limited as described in the recitals to the said agreement and in the circular containing the notice convening this meeting, be and the same are hereby approved and confirmed."

The following documents are available for inspection during normal business hours on any weekday except Saturdays and public holidays up to and including the date of this meeting at the registered office of the Corporation and at 40, Holborn Viaduct, London EC1P 1AJ, and 44, Main Street, Johannesburg, 2001, South Africa:—

(a) the agreement between ZCI and Minorco referred to above and copies of documents setting out the original indemnity arrangements between Minorco and ZCI;
(b) the Incorporating Act and Bye-Laws of Minorco;
(c) the annual report and accounts of Minorco and ZCI for the two financial years ended 30th June, 1976 and 1977;
(d) letter dated 7th April, 1978, from Morgan Grenfell and Company Limited confirming its consent referred to in this circular;
(e) a copy of the agreement dealing with services to be provided for BCL by AAC as more particularly described in paragraph 2 of the Appendix hereto.

An announcement regarding the outcome of the special general meeting will be published in the press on 3rd May 1978.

A member entitled to attend and vote at the meeting is entitled to appoint another member as his proxy to attend and, on a poll, to vote in his stead.

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

A form of proxy to enable shareholders to vote for or against the resolution is enclosed for those members who wish to be represented at the meeting but who are unable to attend in person. Proxy forms must be returned to the corporation's registered office or to the offices of the local share registrars in the United Kingdom or the Republic of South Africa so as to arrive at least 48 hours before the time appointed for the holding of this meeting.

Holders of share warrants to bearer who wish to attend in person or by proxy or to vote at any general meeting of the Corporation must comply with the regulations of the Corporation under which share warrants to bearer are issued.

By Order of the Board.
D. F. ELLIS, Secretary.

Pembroke,
Bermuda.
10th April, 1978.

GRATTAN WAREHOUSES LIMITED

NOTICE IS HEREBY GIVEN that the Register of Ordinary Stockholders will be closed from 28th April to 5th May, 1978, both dates inclusive for the purposes of preparing Dividend Warrants payable on 13th June, 1978.

By Order of the Board.
K. M. GRAY, F.C.A.,
Secretary.

Anchor House,
Ingleby Road,
Bradford BD99 2XG.

PUBLIC NOTICES

SUFFOLK COUNTY COUNCIL

£1,000,000 Bills, issue date 11th April, 1978, maturing 11th July, 1978, at 6¼%. Applications totalled £8,750,000 and there are £1,000,000 Bills outstanding.

DEVON COUNTY COUNCIL BILLS

totalling £5m. will be issued on 11th April, 1978, maturing 11th July 1978 at 6⅝% per annum. Total applied for £29·4m. Bills outstanding £5m.

BIDS AND DEALS

Cadbury U.S. inquiry could be rigorous

BY STEWART FLEMING

NEW YORK, April 10.

Cadbury-Schweppes is facing a rigorous inquiry into its proposed acquisition of the U.S. confectionary manufacturer, Peter Paul, by Federal anti-trust authorities. Federal trade commission staff will be inquiring into the proposed $U.S.58m. (£31m.) deal to see whether they will be able to mount either an actual or potential competition case against the merger.

FTC sources will not comment in detail on the case following last week's announcement from Peter Paul that an investigation is under way. But there are grounds for believing that the FTC's interest goes beyond the "routine inquiry" which the Cadbury Schweppes finance director, Mr. James Forbes, said last week was under way.

Peter Paul, although a relatively small corporation in terms of the corporate giants of the U.S., had sales revenues of $100m. last year and is nevertheless a significant force in the U.S. candy and confectionary market.

Asked this morning to identify its main competitors, Hershey Foods, the industry leader with sales of $670m. last year, named Nestle, the Swiss concern, Cadbury, Mars Inc. and Peter Paul.

A merger between Cadbury, which manufactures in the U.S., and Peter Paul, would therefore appear to raise U.S. anti-trust problems in terms of being likely to diminish actual competition in the market now. Beyond this, however, given the build up in Cadbury's U.S. operations already, the proposed deal could also raise issues under the potential competition category.

Here the argument would be that if Cadbury did not acquire Peter Paul itself, it would spend the money expanding its own operations in order to compete directly with Peter Paul. The acquisition of Peter Paul by Cadbury would therefore tend to diminish potential competition.

The potential competition argument was used most recently in the context of a foreign take-over by the FTC in a suit brought against BOC International following its acquisition in 1973 of a 34 per cent. stake in Airco. BOC last summer, after protracted lawsuits, won the case. It was able to establish, partly because it lacked any significant U.S. base, that it was not a potential entrant into the U.S. market for industrial gases.

NEB receives £2.7m. offer for Champney's

A single bid of some £2.7m. appears to have been made for Champney's health farm and the other U.K. private health business of Allied Investments, the nursing homes and medical exports group which is being taken over for £8.1m. by the State-owned National Enterprise Board. The many other parties which had shown interest in buying parts of the business being sold are consequently being given a chance to make a higher offer before a conclusion is reached on the single bid.

It has all along been intended that the private U.K. medical interests of Allied should be sold off as it has been considered unsuitable for them to be held by a State-owned body.

It is known that Dr. Michael Sinclair, who built up Allied and will be a joint vice-chairman of United Medical Enterprises which is buying Allied and is controlled by the NEB—has put in an offer, jointly with others, for Champney's itself. But it is believed that he has not bid for all the interests offered for sale.

There is thought to be a good deal of pressure for a quick decision on the sale to remove the risk of staff being unsettled by prolonged uncertainty. Sale of all the interests to one purchaser would resolve the matter quickly.

GROWTH FOR UTD. ENGINEERING

United Engineering Industries is acquiring Link Electronics, a private company based in Andover, manufacturing TV cameras and associated equipment.

The initial consideration is £550,000 cash plus a further payment based on profit performance —£1 for each £1 of profits exceeding aggregate of £425,000 for three years to January 31, 1981 with a maximum payment of £300,000.

For the year to July 31, 1977 Link's sales are £1,008,000 and pre-tax profit £54,000, compared with £1,262,000 and £246,000 in the previous year. Net tangible assets stood at £591,000 as at July 31, 1977 and since that date the capital has been increased by injections of a further £150,000 cash.

KELLOCK TALKING WITH BELGRAVE

Kellock Holdings and Belgrave Assets have entered into discussions with a view to a merger.

This will be effected under a scheme of arrangement under which Kellock would acquire, by way of exchange, all the outstanding Ordinary and "A" shares and Convertible Loan Stock of Belgrave. A further announcement will be made in due course.

It was stated in December that Kellock already held some 44½ per cent. of Belgrave following the merger of Belgrave with Lothian Investment Trust, in which Kellock had a sizeable stake.

TURNER AND NEWALL

Turner and Newall and S. A. Du Ferodo of France, have increased their stakes in Bureau Technique International SA (BTI) of Belgium.

The British company, which has a 10 per cent. interest in Ferodo, increased its stake in BTI from 31.9 to 68 per cent., and Ferodo from 14.9 to 32 per cent.

BTI is a major distributor of auto components and manufactures water pumps.

Swedish offer for Miln

A SWEDISH agricultural seeds company Hilleshog AB is poised to make a full scale bid worth £3.15m. for Miln Marsters, the Norfolk based seeds and plant breeding group.

Hilleshog, which concluded a major trade agreement with Miln three years ago, already owns 25.4 per cent. of the group and recently agreed—subject to Exchange Control consent—to purchase a further 14.8 per cent. shareholding. This would take its stake above the 30 per cent. level at which, under City Take-over Panel rules, it must make a full bid for the remaining shares.

Hilleshog intends, provided it gets the necessary Exchange Control consents, to bid 200p cash for the outstanding holdings—under the same terms as it agreed to acquire its further 14.8 per cent. stake in the group. The bid would value Miln at more than £4m.

The Miln board—other than the two Hilleshog representatives appointed at the time of the trade agreement — are recommending shareholders to take no action pending an announcement.

The trade agreement allows Miln to produce in certain countries, and to sell exclusively in the U.K. Hilleshog's genetic monogerm sugarbeet seed varieties. The agreement—due to run for an initial period of 13 years—would be terminated in the event of a third party acquiring a more than 25 per cent. stake in the group.

WARD WHITE

The documents describing the agreed bid by the Ward White group for Betts and Broughton, a private industrial footwear company, reveal substantial changes in the service agreements for the chairman and managing director of Ward White.

The salary of Mr. Phillip Birch, the managing director, is to rise from £28,000 to £35,000 and that of the chairman, Mr. George McWatters, from £25,000 to £31,000.

However, both men are also entitled to commissions and these have been sharply reduced. Previously, the commission came into force at the rate of 2½ per cent. when pre-tax profits exceeded 10 per cent. of group net tangible assets.

Now, the threshold for commissions has been raised to 20 per cent. of net tangible assets and the rate dropped to 2 per cent. Mr. McWatters and Mr. Birch have also waived their entitlements this year to commissions resulting from the acquisition.

GRE SOUTH AFRICAN DEAL

Guardian Assurance Holdings, the 66 per cent.-owned South African subsidiary of Guardian Royal Exchange, is to raise its stake in Liberty Life from 65.4 per cent. to 77 per cent. at a cost of R11.4m.

The deal is being effected by Guardian purchasing the 1,257,... shares in Liberty owned by Manufacturers Life of Toronto.

The consideration values the holding at roughly 900c per share against Liberty's current price of 1,075c. Guardian Assurance is to finance the acquisition by an issue of 9m. Preference shares (non-redeemable) which will be issued at 100c and will carry a coupon "not greater than 11½ per cent." The final terms however will be announced later. In the event of excess subscriptions for the Preference shares, up to another 3m. may be issued.

C. E. Heath acquires 80% of French underwriter

C. E. Heath, the British-based insurance brokers and underwriters, has agreed to acquire an 80 per cent. stake in a French underwriting agency Groupe Sprinks SA in a deal worth more than £4.7m.

Heath is paying around £1.6m. in cash and the remainder in shares—which last night closed at 262p. Payment is to be staged over two years. The deal is subject to all necessary consents being granted by the French and British authorities.

The group said last night that it was seeking to strengthen its European operations which it had regarded as being rather weak. It did not rule out the possibility of further acquisitions in Europe.

Sprinks acts as underwriters for a number of leading insurance companies in Europe and places a large part of its business with London brokers, including C. E. Heath—which is now hoping to increase its share of this business as a result of the deal.

Sprinks currently controls a premium income of around Frs.370m. (£43m.). A spokesman for Heath said that Sprinks had a good profit record and would "add considerably to development of the European interests of the C. E. Heath group."

SHARE STAKES

Wace Group—Following directors acquired shares on April 3 at 33p as follows: N. H. Castle, 45,000 (4.06 per cent.); G. J. O'Keefe 25,000 (2.26 per cent.); J. B. Robertshaw 17,500 (1.58 per cent.); I. W. Hewson 10,000 (0.9 per cent.); R. Ordoyno 10,000 (0.9 per cent.). All are held personally by the directors and they have no beneficial interest in other shares.

BPB Industries: Prudential Ass. Co., as a result of recent sales, now holds less than 5 per cent. of the equity.

J. H. Fenner and Co. (Hldgs.): Morgan Grenfell Trustee Services as a trustee of David Brown Holdings, is interested in 2,466,005 Ordinary shares.

Peachey Property Corporation: Lord Mais, a director, has purchased a beneficial interest in 10,000 Ordinary shares at 75p and his wife, Lady Mais, has purchased a beneficial interest in 2,000 Ordinary shares at 75p.

United Biscuit Holdings: Sir Hector Laing, the chairman, has reduced his holding by the following: beneficial holding 25,000 shares and trustee holding 192,000 shares.

United Spring and Steel Group: Britannic Ass. Co., has purchased a further 250,000 Ordinary shares bringing its holding to 1,250,000 (9.04 per cent.) shares.

Eucalyptus Pulp Mills: Island and South American Merchants has sold 39,146 Ordinary shares.

Esperanza Trade and Transport: Rothschild Investment Trust has increased its holding by 24,790 shares to 2,024,856 (17.26 per cent.) shares and Guinness Peat Group has increased its holding by 24,790 shares to 2,515,475 (21.44 per cent.) shares.

James Austin Steel Holdings: Trumans Steel Group holds 210,000 (7 per cent.) shares.

Brown and Jackson; Presstamp Engineering Company has purchased a further 20,000 Ordinary shares.

Vosper: In consequence of a transfer on March 31, 1978, of certain shares in David Brown Holdings, Morgan Grenfell Trustee Services became interested as trustees in 2,403,000 Ordinary shares of Vosper. Vosper has received further notification from Morgan Grenfell Trustee Services that in consequence of a subsequent change of ownership of the above mentioned shares in David Brown on April 5, that it ceased to be interested in those shares, at that date.

Ratners (Jewellers): Mr. J. M. Ratner, a director, has disposed of 10,000 Ordinary shares.

Aurora Holdings: Hudson-Niesper, a subsidiary of Johnson and Firth Brown, has been allotted 1,803,932 Ordinary shares, representing a holding in excess of 5 per cent.

British Electric Traction Company: Mr. C. J. Chataway, a director, has acquired 1,000 Defered Ordinary shares.

Halma: Mr. P. G. Wells, a director, who was allotted 17,000 shares under the share option scheme on April 5, has sold 11,000 shares, retaining 6,000. Mr. C. Q. Summerhayes, a director, has been allotted a further 17,000 shares under the scheme. Together with 16,000 shares allotted on April 5, he has now exercised in full his options over 33,000 shares. Mr. Summerhayes has sold 16,000 shares and is retaining 17,000. Following the issue of a further 17,000 to Mr. Summerhayes, the issued capital is increased to 4,856,845 shares.

SHIPSTONE STILL INDEPENDENT

Northern Foods has failed in its bitterly contested takeover bid for James Shipstone—the Nottingham-based brewer—worth around £13m. After receiving acceptances representing only 4 per cent. of Shipstone's equity, the offer has now lapsed.

BRITISH VITA

The auditor of British Vita, Mr. C. Connelly, has sold his entire beneficial holding of 82,958 shares in the company. However, following the death on March 16 of British Vita's chairman, Mr. Norman Grimshaw, Mr. Connelly has been named as a trustee in the will. As a result, he is now non-beneficially interested in 2,050,678 shares (12.5 per cent.).

BLAKEY'S DIVIDEND RISE IN DOUBT

The pleasure of shareholders of Blakey's Malleable Castings over the increase in the offer price now that Allied Insulators is the bidder, must be tempered by the news that the big dividend increase promised at the time of the Centreway bid, is now unlikely.

In the official offer document, sent to shareholders yesterday, Mr. N. N. Kay, chairman, says that the 86 per cent. increase in the dividend is now "impossible to predict" because future dividend policy will be in the hands of Allied Insulators if the bid goes through.

ALFRED LOCKHART

The offer by Irish Ropes for Alfred Lockhart has been accepted in respect of a total of 742,648 shares (97.71 per cent.). The cash offer has now closed; the share offer is now unconditional and remains open.

Dalgety expands in New Zealand

Dalgety New Zealand, a subsidiary of Dalgety, has contracted to acquire the capital of C. B. Norwood, the leading New Zealand distributor of agricultural machinery. Consideration for the Norwood Ordinary will be the issue of 3.75m. new $1 Ordinary shares of Dalgety New Zealand plus $187,500 in cash. Based on the current market price of DNZ the consideration is valued at some $6.7m. (£3.7m.).

Net assets of Norwood at March 31, 1977, were $10.3m. and the profits after tax for the two years ending March 31, 1976 and 1977, were $926,000 and $1,583,000 respectively. In addition DNZ will acquire the 500,000 $1 redeemable Preference shares of Norwood at par for cash.

The capital of DNZ will be increased from 20,976,488 shares to 24,726,488 shares, as a result of which Dalgety's holding of 14m. shares will fall from 67 per cent. to 57 of the total.

Based on a consolidation of the earnings of Norwood and DNZ for their financial years ending in 1977 the earnings per share of DNZ would be improved from 30.7 cents to 32.4 cents.

Norwood holds the franchise throughout New Zealand for the distribution of Massey Ferguson tractors. It also distributes a wide range of other agricultural and horticultural equipment, including Ransomes and Farmhand products. It operates 12 wholesale and retail outlets and has 51 sub-distributorship arrangements with dealers throughout New Zealand.

KAY CORPORATION

The Bowater Corporation announces that its U.S. subsidiary, Kay Corporation, has exercised its option to purchase for approximately $9m., the remaining 1,192,192 shares of Kay common stock held by Bowater Holdings Inc.

Bowater Holdings Inc. continues to hold $9.4m. preferred stock of Kay, which will be repaid over the next six years.

The contribution of Kay to Bowater pre-tax profits for 1977 was £3.8m., reduced to £1m. after tax and minorites.

Net assets of Kay at end 1977 totalled £41.1m. before borrowings of £26.8m. Kay is an international trading company which owns the third largest chain of retail jewellery stores in the U.S.

In a separate transaction, Kay has acquired from Aromatic International the name, business and assets of De Monchy Aromatics which is a merchant and dealer in oils, aromatic chemicals and allied raw materials. The purchase price was something over £200,000.

Mr. John Duffin will continue as managing director of the company. He will be joined on the Board by Mr. Antonie van Ekris and Mr. Arie Nugteren, president and vice president respectively of Kay.

FERGUSON SELLS TILLING STAKE

Ferguson Industrial Holdings has sold its entire holding in Thomas Tilling which it received in exchange for its holding in Liner Concrete Machinery.

The proceeds of sale, net of all expenses, are £1m. cash, which will be used immediately to reduce bank borrowing, and in the longer term to finance expansion plans.

The cost of the Ferguson holding in Liner was £454,971; capital gains tax of some £163,500 will become payable in January 1980.

GEDONG INV.

Shareholders at Gedong Investments AGM yesterday decided not to approve a resolution to declare a final dividend in a move designed to facilitate the agreed bid for the group from Consolidated Plantations, which is a subsidiary of Sime Darby Holdings.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

ﻫﻜﺬﺍ ﻣﻦ ﺍﻷﺻﻞ

?TH AMERICAN NEWS

W comes n stream 1 U.S.

John Wyles

?W STANTON, April 10.

?TLY AFTER 11 a.m. this ng a white, gleaming Rab- olled off an assembly line to mark the climax of a project by Volkswagen of Germany to recapture the er one spot in the U.S. ted car market from ese producers.

VW Rabbit, known in e as the Golf, is the first n manufacturers' car to be ced in the U.S. for more 40 years. To-day's vehicle d its wheels just 18 months VW acquired an assembly in Westmoreland County 1 had been started and left ished in 1970 by Chrysler. Westmoreland is expected duce around 60,000 Rabbits year, rising to 200,000 in

is now the third largest rter of foreign cars into the after Toyota and Datsun, its present position is cur- y being challenged by an- Japanese company, Honda, plans to build a motor- -assembly plant in Ohio. by many as a prelude to J.S. assembly of Honda cars.

nda land deal

ta Motors has bought 20 of Government-owned land orth-east Toronto for \$C2m. Claude Bennett, Ontario ster of Housing, said, reports J from Toronto. Honda will the land for its Canadian quarters.

rtz Mountain

z Mountain, a distributor of products, filed counterclaims U.S. District Court suit in h it is a defendant against trust suits brought by A. H. ins and the Miller-Morton of Robins, which distributes products, AP-DJ reports Richmond.

rner Comm.

arner Communications said erday that it would issue a ment later following the ension of trading in the pany's "C" stock on the erican Stock Exchange during lay.

own Cork merger

vn Cork and Seal plans to ge with its Crown Cork lings Inc. parent and nine lly-owned units, reports J from Toronto. Minority eholders will receive pre- ed shares of the amalgam- company which will be emed shortly after the ger at \$C280 a share.

General Electric turns in good first quarter results

BY DAVID LASCELLES

NEW YORK, April 10.

GENERAL ELECTRIC, the largest U.S. manufacturer of electrical equipment, reported sales of \$4.44bn. in the first quarter of this year, up from \$4.06bn. in the same period last year. Net earnings were \$247.8m. equivalent to \$1.09 a share, against \$215.4m., or 95 cents previously.

Mr. Reginald H. Jones, GE's chairman, attributed much of the rise to earnings from consumer products and services which were substantially ahead of last year's first quarter, as were earnings from the industrial products and components division.

Earnings from sales of power systems were about the same as those for the first quarter of 1977, he indicated, while those from the sale of technical systems and materials showed gains well over those for a year ago.

Mr. Jones also said that GE's revenues from operations abroad had risen, and that exports from the U.S. were higher than last year.

But though GE last year joined the select list of U.S. companies with earnings of more than \$1bn., and began 1978 on an optimistic note, Mr. Jones felt it necessary to inject a note of caution into to-day's report.

"While we anticipate results for the total year will show improvement over 1977," he said. "The rate of gain undoubtedly will be affected buy the future direction of the U.S. economy." In 1977, the company earned \$1.09bn. or \$4.79 a share, on sales of \$17.5bn.

GE to-day also reported earnings from its wholly-owned subsidiaries. Utah International's first quarter earnings were up 6 per cent. to \$48m., and those of General Electric Credit rose 17 per cent. to \$16.2m.

New move likely in IBM suit

NEW YORK, April 10.

THE GOVERNMENT'S side of the monopoly suit against International Business Machines has been grinding along in a New York Federal Court for nearly three years. Except for the Department of Justice on one side and IBM attorneys on the other, this phase of the trial has not produced many dramatic developments.

However, the calm that has marked the trial may be shattered for followers of IBM's stock market fortunes, when the Government finishes presenting its case, if opinions expressed by Mr. Calvert Crary of Bache, Halsey Stuart Shields, are proved accurate. He believes that Justice Department lawyers may spring an unusual, possibly unprecedented, request at the end of their presentation and before IBM begins its defence.

"We believe the Government is almost certain to ask for interim relief," says Mr. Crary. "We have heard that three items to be sought will be increased disclosure (by IBM) of interface information (to competitors), obligatory maintenance by IBM of competitors' equipment, and elimination of so-called tie-in sales."

Mr. John Shenefield, Assistant Attorney General for Antitrust, indicated recently to a computer industry conference that the interim relief question has been under consideration within the Department.

Mr. Shenefield could not be reached for comment last week, but a Justice Department aide said that Mr. Shenefield had testified before a Senate Committee on Wednesday that a decision on seeking interim relief has not yet been made but remains under active consideration.

Mr. Crary believes the Government's case could be completed within several weeks. AP-DJ

Advance in CDC profits

By James Scott

TORONTO, April 10.

THE Canada Development Corporation (CDC), a company formed six years ago by the Canadian Government to widen investment opportunities for Canadians, had a profit of \$C23.8m. (\$US20.9m.) in 1977, compared with \$C21.7m. in 1976.

The CDC, with assets now exceeding \$C2bn., derives income from two streams. One is consolidated revenues from the sales and services by underlying companies in the petrochemical, health care and oil and gas industries in which CDC has more than a 50 per cent. interest. These revenues rose to \$C724m.

The other income stream is from the company's equity share in the earnings of companies in which CDC has less than a 50 per cent. stake.

Challenge to Sun Life

BY ROBERT GIBBENS

MONTREAL, April 10.

QUEBEC FINANCE Minister Mr. Jacques Parizeau has challenged figures given by Sun Life Assurance of Canada to the effect that it has \$C700m. invested in Quebec, and has offered to turn over his own version to the Canadian Life Insurance Association for analysis.

He said that after the Quebec Superintendent of Insurance told the Sun Life this figure included \$C100m. that should be excluded, the company changed its public news release. Mr. Parizeau accused the company of "juggling with figures" and said he still stands by the \$C400m. "underinvestment" figure he first brought up last January.

However, he admitted the problem of the Sun Life's "underinvestment" in the Province had been mitigated in recent months because "the company has lost a great deal of business to competitors who do invest in Quebec."

The company has just set up a separate regional organisation under a newly appointed vice-president. This will take over certain functions now carried out by Head Office in Montreal. This area of operations will comply with the French Language Charter rules over francisation of business organisations, it says.

Sun Life participating policyholders are due to vote on April 25 in Toronto on a resolution put by the directors to move Head Office from Montreal to Toronto. Montreal lawyer Mr. Richard Holden has launched an action in Ontario Supreme Court to try to get an injunction postponing the meeting.

Kennecott attacks Curtiss plan

NEW YORK, April 10.

KENNECOTT Copper Corporation's management, trying to stave off a proxy fight challenge from Curtiss-Wright Corporation, has issued its second special letter to shareholders in as many weeks.

The critical tone of the letter—which included attacks on the qualifications of Curtiss-Wright's 17-member insurgent directors list and on the Curtiss-Wright chairman Mr. T. Roland Berner—indicated that Kennecott can be expected to voice some tough criticisms between now and the company's May 2 annual meeting.

Kennecott notes that the programme Mr. Berner is proposing to implement at Kennecott if his nominees topple the Kennecott Board is remarkably similar to one he proposed in a proxy fight against Curtiss-Wright exactly three decades ago. While the challenge at that time failed, Mr. Berner was brought onto Curtiss-Wright's Board the next year, in 1949.

In that campaign, a dissident shareholders' committee led by Mr. Berner declared an intent to make a special cash distribution of \$7 a share to Curtiss-Wright holders, or else to call for tenders of half the stock outstanding at \$14 a share, financed out of assets.

The Curtiss-Wright list now assembled by Mr. Berner proposes to sell the copper concern's Carborundum Company abrasives unit (recently acquired for \$567m. cash) and use the proceeds and other Kennecott assets to fund a \$40 a share offer by Kennecott for half of its own stock. (An alternative considered earlier, and apparently dismissed, was a \$20 a share special distribution on all shares.)

AP-DJ

Exxon unit to sue Gulf Oil

By Our Own Correspondent

NEW YORK, April 10.

THE EXXON Nuclear Division of Exxon Corporation is filing a suit against Gulf Oil because of Gulf's alleged "unlawful" activities in connection with the international uranium cartel.

The suit will be filed in a San Diego court to-morrow and follows discussions between Gulf and Exxon during which Exxon said that it believed a 1973 contract to be null and void because of Gulf's alleged participation in the cartel.

Koppers buys stake in Cutler-Hammer

PITTSBURGH, April 10.

KOPPERS the engineering concern has concluded the purchase of the entire offering of 650,000 shares of series "A" Convertible voting Preferred stock issued by control systems maker Cutler-Hammer.

The Preferred issue is convertible into 650,000 shares of Cutler-Hammer common stock equal to about 10 per cent. of the common shares that would be outstanding after conversion.

Koppers reported the purchase at \$45 a share with a minimum annual dividend of \$1.40 a share or "such higher annual dividend rate as may be declared by Cutler-Hammer on its common stock during 1978."

The Koppers invesmtent totals about \$30m. The company added that with the purchase it owns about 10 per cent. of Cutler-Hammer common shares outstanding upon conversion.

Koppers' chairman Mr. F. L. Byrom said: "We expect that Koppers will reach the 20 per cent. level of ownership as market and other conditions permit."

Meanwhile in Milwaukee, Cutler-Hammer said it had filed suit against Tyco Laboratories in U.S. District Court there alleging violation of Federal and state securities laws as to the manner of Tyco's acquisition of Cutler-Hammer shares.

Cutler-Hammer said it was notified by Tyco Laboratories this morning that the Exeter, New Hampshire-based electronics concern had acquired 225,400 additional shares of Cutler-Hammer common stock last Friday.

AP-DJ

Gulf & Western expands

BY OUR OWN CORRESPONDENT

NEW YORK, April 10.

GULF and Western Industries the U.S. conglomerate is expanding its financial interests with the proposed acquisition of half the assets of Talcott National Corporation for \$274m. in notes and cash, the bulk of which would be paid to Talcott's lenders.

Under the deal Associates Corporation of North America a finance subsidiary of G. and W. would acquire the receivables of James Talcott's factoring division and certain receivables of its business finance division.

The parent company of James Talcott is Talcott National, 53 per cent. of whose shares are owned by Uintah National Corporation

Uintah is in turn 90 per cent. owned by Mr. Brooke Grant a Utah businessman. Several years ago Uintah acquired the holdings in Talcott, once controlled by Mr. Michele Sindona, the Italian entrepreneur.

INA plans take-over of HMO

LOS ANGELES, April 10.

INA CORPORATION, the insurance holding company, and HMO International have agreed in principle for INA to acquire HMO.

The companies did not give any approximate value of the proposed transaction, under which HMO International will become a wholly owned subsidiary of INA.

The agreement provides for the merger of HMO International and a subsidiary of INA with HMO shareholders exchanging their stock for a new \$3.80 cumulative convertible Preferred stock of INA on the basis of one share of the INA Preferred for each 4.5 shares of HMO International AP-DJ

EUROBONDS

Copenhagen postpones new issue

By Francis Ghilès and Mary Campbell

THE POSTPONEMENT of the 25m. unit of account issue for the City of Copenhagen, and the first day of trading of the Whitbread issue were the two salient features of the market yesterday.

The lead manager of the new sterling issue, Kleinwort Benson quoted the issue at 96¾-97¼ throughout the day but some market quotes were lower. Trading was thin, reportedly because the lead manager was bidding for the bonds only on the basis of guaranteed delivery.

The Deutschemark sector was very quiet yesterday, with no movement either way. The DM100 led by Dresdner Bank launched yesterday is for P. K. Banken. The maturity of this bullet issue is ten years and the indicated coupon is 5¾ per cent.

Algemene Bank Nederland is arranging a Euroguilder placement of five-year notes up to a maximum of Fl.75m. on its own behalf. Indicated coupon is 6¼ per cent. and the notes will be issued at 99½.

Kredietbank Luxembourgeoise, the lead manager for the Copenhagen issue, said yesterday that the subscriptions for the unit of account 25m. issue had amounted to over 100m. units of account. It postponed the issue pending clarification first of the impact of recent announcements by the International Monetary Fund and second of the measures which could be taken by the EEC Council of Ministers—for example on what currencies will be in the snake and on what basis.

The issue was due for signature to-day but the value of the unit of account which is a standard of value based on those EEC currencies which are in the snake and is not to be confused with the EEC's own unit of account, could be radically altered by any moves to change the composition of the snake.

AMERICAN QUARTERLIES

ABBOTT LABORATORIES

First Quarter	1978 \$	1977 \$
Revenue	332.8m.	283.4m.
Net profits	31.9m.	25.2m
Net per share ..	1.07	0.85

INTERPOOL

First Quarter	1978 \$	1977 \$
Revenue	13.2m.	10.7m.
Net profits	2.25m.	1.56m.
Net per share...	1.16	0.81

NCNB

First Quarter	1978 \$	1977 \$
Revenue	199.3m.	172.1m.
Net profits	7.4m.	5.7m.
Net per share...	0.44	0.33

HAMMERMILL PAPER

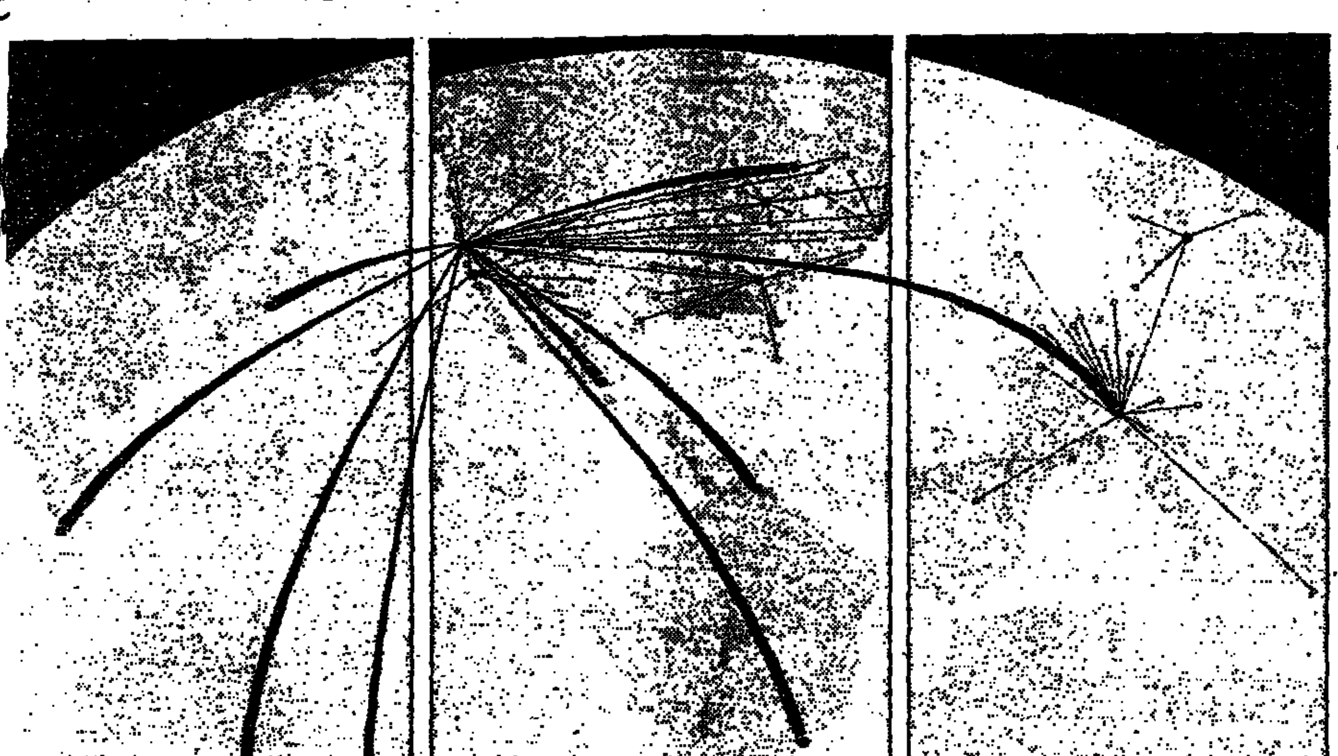
First Quarter	1978 \$	1977 \$
Revenue	199.3m.	173.1m.
Net profits	4.3m.	4.3m.
Net per share...	0.56	0.55

MACMILLAN INC.

First Quarter	1978 \$	1977 \$
Revenue	102.1m.	98.3m.
Net profits	72,000	345,000
Net per share...	—	0.02

WHIRLPOOL CORP.

First Quarter	1978 \$	1977 \$
Revenue	485.2m.	440.5m.
Net profits	25.2m.	24.9m.
Net per share...	0.70	0.69



INTERNATIONAL FINANCIAL AND COMPANY NEWS

Metallgesellschaft short of target

BY GUY HAWTIN

FRANKFURT, April 10.

FRANKFURT-based metals, engineering and transport concern Metallgesellschaft has seen turnover rise by about 1.7 per cent. during the first five months of 1977-78, but earnings have dropped by about a third more than forecast.

The area in which Metallgesellschaft (MG) operates is surely one of the most difficult in West Germany. Much of its business is conducted in sterling or dollars, but it must account to its shareholders in Deutschemarks.

According to MG's finance chief, Dr. Jakobus Greven, the prime cause of the unexpectedly sharp fall in the group's earnings was the decline of the dollar. But another vital factor had been the weak state of the zinc market—a metal of which Metallgesellschaft is an important producer.

MG's executive Board feels it is facing a more uncertain business year than in 1976-77. Not only is there uncertainty in the general economic situation, particularly concerning the future of the dollar, but the future of the vitally important zinc market during the course of the current year is also hard to assess.

It is felt that results will be good in the plant construction sector — MG owns the highly successful Lurgi group. On the other hand, in the metal sector further declines are expected, where the zinc market situation will play a decisive role in the losses of the group's smelting and mining activities.

In the processing sector, Metallgesellschaft is expecting further losses, while profits in the fabrication branch are unlikely to offset losses in the semi-finished product sector. Against this earnings from the group's chemical production, as well as its transport operations are likely to be "positive within the realms of normal fluctuations."

Herr Karl Gustaf Ratjen, the group's chief executive, said that there could well be positive developments in the metal sector, perhaps in the domestic market.

For 1976-77, the group reported a substantial increase in net earnings—from the previous business year's DM18.3m. to DM41.3m. ($20.7m.). Shareholders are again being recommended a dividend of DM5 per DM50 nominal share.

The management hopes that a further DM5 a share dividend will be possible this year, although it was still not certain.

Total external turnover last year increased from DM6.83bn. to DM7.82bn. ($3.9bn.), while the group's sales advanced from DM6.23bn. to DM6.93bn. The parent company's turnover advanced from DM4.99bn. to DM5.45bn. Group overseas sales as a proportion of turnover advanced from 39 per cent. to 44 per cent.

Capital investment during 1976-77 totalled DM196m. compared with DM153m. At the same time depreciation went up from DM155m. to DM161m.

Dresdner Bank off to good start

BY OUR OWN CORRESPONDENT

FRANKFURT, April 10.

Dresdner Bank, West Germany's second largest commercial bank, is again expecting "satisfactory" profits for 1978. This follows the bank's second best business year for over 30 years with operating profits up by about 10 per cent.

According to Herr Helmut Haeusgen, spokesman for the bank's executive Board, business during the first three months of the year has been promising. Interest rate margins have altered only a little, while interest earnings have increased further with higher business volume.

Last year Dresdner's commercial business contributed greatly to the 10 per cent. increase in operating profits. Despite a slight decline in interest margins, interest earnings also rose, by 7.2 per cent. to just under DM1.41bn.

During the first quarter of 1978, the parent bank's balance sheet total fell back slightly to about DM60bn. ($29.7bn.), mainly due to seasonal reductions in customers' time deposits. Credit business since the end of 1977 had changed little, being, as ever, dictated by the state of the economy as a whole, said Herr Haeusgen.

There were no surprises on the earnings front during the first quarter, he said. The balance sheet total averaged some 7 per cent. above the average for the same period of 1977. Business in the services sector received a substantial boost from the securities side, prompted by a boom in Deutschemark external loans.

For 1977, the group's balance sheet total increased 14.9 per cent. to DM97.7bn. ($48.4bn.), while that of the parent bank rose by 15.1 per cent. to DM62.07bn. The parent bank's credit volume grew from DM40.88bn. to DM44.28bn. and deposits went up from DM36.73bn. to DM40.12bn.

Net profits dropped from DM218m. in 1976 to DM203m., but this was a result of West Germany's corporation tax reform.

IHC Holland reorganisation to cost $145m.

BY CHARLES BATCHELOR

AMSTERDAM, April 10.

The reorganisation of the specialised Dutch shipbuilder, IHC Holland is expected to cost a total of Fls.312.5m. ($145m.). Most of this amount, Fls.232.5m., will be provided by the Government as part of its Fls.900m. restructuring of the shipbuilding and heavy engineering industries, while IHC will put up Fls.80m. of its own money.

To raise its share of the restructuring costs, IHC will call upon Fls.55m. from IHC Inc., of Fribourg in Switzerland, which acts as a holding company for IHC's foreign activities. The remaining Fls.25m. will come from existing provisions to cover the cost of the restructuring.

IHC will transfer 60 per cent. of its holding in IHC Inc. to a new holding company to be set up in Holland called IHC Inter, the aim being to maintain the independence of the international holding company and to allow the further expansion of IHC's activities abroad.

The restructuring of IHC involves the closure of the Schiedam shipyard of its IHC Gusto subsidiary with the loss of 700 jobs.

IHC reported a net profit of Fls.15.9m. in 1977, slightly up on the Fls.15.3m. in 1976. It proposes a dividend of 10 per cent. in the form of share certificates in the new company IHC Inter. It paid a 10 per cent. cash dividend in 1976 of Fls.1 per Fls.10 nominal share.

The State is withdrawing a guarantee of Fls.100m given to cover the completion of an oil boring ship which was cancelled by the Norwegian purchaser This means IHC faces extra costs of Fls.25m. in connection with this ship bringing its total investment to Fls.35m.

* * *

ROYAL Adriaan Volker, the Dutch construction company which is to be listed on the Amsterdam Stock Exchange this month, is to make a rights issue of 265,000 Fls.20 nominal shares at Fls.80 per share.

KemaNobel sees rise in earnings

By William Dullforce

STOCKHOLM, April 10.

IN ITS final report to shareholders for 1977 KemaNobel, the Swedish chemicals company, forecasts an improvement in earnings this year despite the structural transformations now being effected in several branches of Swedish industry "which could offer grounds for pessimism."

The KemaNobel board's hopes are pinned to the big effort the group has put in recent years into expanding its product range; internationalising its operations and reducing its dependence on the Swedish market.

Pre-tax earnings fell last year by Kr.14m. to Kr.121m. ($26.8m.) despite a 27 per cent. growth in turnover to Kr.2.26bn. ($500m.).

Last year KemaNord took over Nitro Nobel, the explosives company in which it already held a majority share, changing the group name to KemaNobel. Nitro Nobel turned in a Kr.59m. operating profit on a Kr.389m. turnover and is to be the major springboard for the group's further expansion abroad. Last year it set up trading, financing and leasing subsidiaries in Geneva.

The final report gives an example of Nitro Nobel's expansion technique from the Saudi Chemical Company, in which the Swedish company holds 40 per cent. of the stock and a majority of the voting rights. The Saudi company increased sales from Kr.47m. to Kr.110m. last year and reports "very good" profit growth. It is starting a new explosives factory at Dahran and a third is planned for Jeddah.

As indicated in the 1977 preliminary report the board recommends an unchanged dividend of Kr.10 a share. It also proposes to make a one-for-five bonus issue, increasing the share capital by Kr.49.4m. This would be accompanied by a stock split, halving the nominal share value to Kr.50, and would leave the concern with an equity to debt ratio of 40 per cent.

CGE expects significant improvement this year

BY DAVID CURRY

PARIS, April 10.

M. AMBROISE ROUX, the chairman of the Compagnie Generale d'Electricite which takes in heavy electrical engineering, ship-building, public works, telecommunications, and consumer electrical goods, sees cautious hope for a return to more satisfactory levels of growth in sales and orders.

He indicated that 1978 results were likely to represent a significant improvement. Parent company non-consolidated profits were Frs.137.9m. ($30.4m.) for current operations and Frs.377m. net taking into account capital gains. The payout is Frs.21 per action (Frs.31.50 together with tax bonus) to which is being added Frs.1.60 (Frs.2.40) from the 1976 year whose fruits could not be fully distributed.

M. Roux laid heavy stress on the changes in structure of the group. He noted that in 1973 the turnover for the controlled companies only had been Frs.12.85bn. Last year turnover reached Frs.32.67bn. which included Frs.14.37bn. for affiliated companies. Overseas sales had passed from Frs.10.3bn. in 1976 to Frs.12.1bn. and the company was investing around Frs.150m. on average overseas.

M. Roux also noted that the telecommunications business was well placed to weather the decline in orders from the French post office as the heavy investment programme in t[he] telephone system went beyo[nd] its first great surge. The p[ost] office provided the main te[le]communications subsidiary C[IT] with less than 46 per cent. of [its] business and the CIT-Alca[tel] group has a growth rate shar[ply] better than the parent compan[y].

The public building a[nd] engineering sector h[as] weathered the crisis in go[od] shape, M. Roux said. T[he] Generale d'Entreprise, the m[ain] public works and civil engine[er]ing company in the group, h[as] pushed up sales by 87 per ce[nt] in two years (to Frs.2.37b[n.]) thanks to a high level of exp[er]tise in France and a sh[arp] increase in overseas projects.

Growth at Empain-Schneider

BY OUR OWN CORRESPONDENT

PARIS, April 10.

THE EMPAIN-Schneider Group, the main industrial constellation in the empire controlled by the Belgian Baron Edouard-Jean Empain who was released over Easter after being imprisoned for two months by kidnappers, has reported substantial gains in both turnover and orders for 1977.

Sales reached Frs.26.5bn. ($5.9bn.) last year against Frs.22.5bn. while orders received were Frs.42.3bn. against Frs.30.9bn.

Of the main branches of activity mechanical engineering, naval construction and metal construction advanced from Frs.4.8bn. to Frs.5.8bn. representing just under 22 per cent. of activity. Electrical engineering advanced by 11 per cent. in sales but slipped back as a contributor to total turnover while the civil engineering, public works and consultancy sides of the business showed the most important growth. Taken together these contributed Frs.7.6bn. to sales instead of Frs.5.5bn. to top 29 per cent. of activity.

As expected, the gloomiest results were in the metals section, where the group has important steel interests. Sales stagnated at Frs.5.8bn., the only sector to fail to record a[n] improvement. The banking ac[ti]vities of the group put [on] Frs.300m. to arrive at Frs.1.9[bn.] though these represent a re[la]tively modest 7.2 per cent. [of] total sales.

STE raises net dividend

BY DAVID BUCHAN

BRUSSELS, April 10.

SOCIETE de Traction et Electricite (STE), the industrial holding company which also carries out engineering work on its own account, has raised its net dividend for 1977 to BFrs.170 from BFrs.162 the previous year. Net profits rose to BFrs.684m. ($21.8m.) from BFrs.646m., though, with a carry over of BFrs.132m., the total distributable profit was BFrs.816m. ($25.9m.).

STE's own engineering and consultancy work has grown considerably with the demand in third world countries for turn key plants, so that last year [it] was involved in a wide varie[ty] of work ranging from a pho[s]phate plant in Iraq, a steel m[ill] in Algeria, and, through Sybet[ol], a large zinc refinery in Peru.

But the bulk of the company['s] profits comes from its industr[ial] holdings, which are still ve[ry] much concentrated in the ener[gy] field. It has important stakes [in] the second and third large[st] Belgian electricity producer[s] EBES and Unerg respectivel[y] which continue to form part [of] the most expansionary and pr[o]fitable sector of Belgian industr[y].

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 8¾pc 1989	95½	96½
AMEV 8pc 1987	96½	97
Australia 8½pc 1992	94½	95
Australian M & S. 9½pc '92	97½	98½
Barclays Bank 8¾pc 1992	97	97¾
Bowater 9½pc 1992	97½	98½
Can. N Railway 8¾pc 1986	97¾	98¼
Credit National 8¾pc 1986	97½	98
Denmark 8¾pc 1984	100	100¾
ECS 9pc 1995	98½	99½
ECS 8¾pc 1997	95½	96½
EIB 8¾pc 1992	98	98½
EMI 9½pc 1989	98	98¾
Ericsson 8¾pc 1989	95¾	96½
Esso 8pc 1986 Nov.	101½	102
Gt Lakes Paper 8¾pc 1984	99	99¾
Hamersley 9¾pc 1992	99¾	100¼
Hydro Quebec 9pc 1992	96½	97
ICI 8¾pc 1987	97½	98
ISE Canada 9½pc 1986	103½	104½
Macmillan Bloedel 9pc 1992	96½	97
Massey Ferguson 9¾pc '91	96	97
Michelin 9½pc 1988	101¾	102¼
Midland Int. Fin. 8¾pc '92	98	98½
National Coal Bd. 8pc 1987	94½	95½
National Westmnstr. 9pc '86	101	101¾
Newfoundland 9pc 1989	100½	101½
Norges Kom Bk 8¾pc 1992	96½	97½
Norpipe 8¾pc 1989	96½	97½
Norsk Hydro 8¾pc 1992	96	96½
Oslo 9pc 1988	101½	102½
Ports Autonomes 9pc 1991	98½	99½
Prov. Quebec 9pc 1995	96½	97
Prov. Saskatch 8¾pc 1986	99½	100½
Reed International 9pc 1987	92½	94½
RHM 9pc 1992	93	93¾
Selection Trust 8¾pc 1989	90½	91½
Skand Enskilda 9pc 1991	99½	100
SKF 8pc 1987	92½	93½
Sweden (K'dom) 8¾pc 1987	95½	96½
United Biscuits 9pc 1989	98¾	99½
Volvo 8pc 1987 March	92½	93½
NOTES		
Australia 7¾pc 1984	95¾	96½
Bell Canada 7¾pc 1987	95	93½
Br. Columbia Hyd 7¾pc '85	94½	95½
Can Pac 8¾pc 1984	99½	100½
Dow Chemical 8pc 1986	97½	98
ECS 7¾pc 1982	96½	97½
ECS 8¾pc 1989	95½	96½
EEC 7¾pc 1982	96½	97
EEC 7¾pc 1984	93½	96½
Enso Gutzeit 8¾pc 1984	96½	97½
Gotaverken 7¾pc 1982	97½	98½
Kockums 8pc 1983	95½	98
Michelin 8¾pc 1983	99½	100½
Montreal Urban 8¾pc 1981	101	101½
New Brunswick 8pc 1984	96½	97½

	Bid	Offer
New Bruns Prov. 8¾pc '83	100½	101
New Zealand 8¾pc 1986	98½	99
Nordic Inv. Bk 7¾pc 1984	93¾	94½
Norsk Hydro 7¾pc 1982	97½	98
Norway 7¾pc 1982	96	96½
Ontario Hydro 8pc 1987	96½	97
Singer 8¾pc 1982	100½	101
S of Scot Elec. 8¾pc 1981	100½	101½
Sweden (K'dom) 7¾pc 1982	97½	98
Swedish State Co. 7¾pc '82	97½	98½
Telmex 9½pc 1984	99½	100½
Tenneco 7¾pc 1987 May	93¾	94½
Volkswagen 7¾pc 1987	94½	95½
STERLING BONDS		
Allied Breweries 10½pc '90	94½	95½
Citicorp 10pc 1993	95	95¾
Courtaulds 9½pc 1989	94½	95½
ECS 9¾pc 1989	96½	97
EIB 9¾pc 1988	97¾	98½
EIB 9¾pc 1992	95¾	96¾
Finance for Ind. 9¾pc 1987	95½	96
Finance for Ind 10pc 1989	95¾	96½
Fisons 10½pc 1987	98½	99½
Gestetner 11pc 1988	97½	98
INA 10pc 1988	94½	95½
Rowntree 10¾pc 1988	94½	95½
Sears 10¾pc 1988	94½	95½
Total Oil 9½pc 1984	94½	95½
DM BONDS		
BFCE 5¾pc 1988	100½	101½
BNDE 6¾pc 1986	98	98½
CFE 6¾pc 1988	98	98½
Denmark 5¾pc 1984	101	101½
ECS 5¾pc 1990	99	99½
EIB 5¾pc 1990	98	[illegible]
Electrobras 6¾pc 1986	98	98½
Euratom 5¾pc 1987	100	100½
Eurofima 5¾pc 1988	100	100½
Finland 5¾pc 1986	99	99½
Forsmarks 5¾pc 1990	99½	100½
Mexico 6pc 1985	97½	98½
New Zealand 5¾pc 1986	101	101½
Norcem 5¾pc 1989	100½	101½
Norway 4¾pc 1983	101½	102½
Philippines 6¾pc 1985	97	97½
Rautar Ukki 5¾pc 1985	98	98½
Sweden 6pc 1989	101½	102½
Tauernautobahn 5¾pc 1993	100	100½
Trondheim 5¾pc 1988	99	99½
TVO Power Co. 6pc 1988	99	99½
Venezuela 6pc 1988	98	98½
World Bank 5¾pc 1990	99½	100½
FLOATING RATE NOTES		
Bank of Tokyo 1984 7 13/16pc	99½	99¾
BFCE 1984 8¾pc	99½	99¾
BNP 1983 8 11/16pc	99¾	100½
CCF 1983 8pc	99½	100½

	Bid	Offer
CGMF 1984 7¾pc	99½	99¾
Creditanstalt 1984 7¾pc	99½	100½
Credit Lyonnais 1982 8pc	99½	100½
DG Bank 1982 7 15/16pc	100	100½
GZB 1981 8 1/16pc	100½	101½
Intl. Westmnstr. '84 7 15/16pc	99½	100½
Lloyds 1983 7¾pc	100½	100¾
LTCB 1983 8pc	99½	100½
Midland 1982 8pc	101½	101¾
Midland 1987 7 11/16pc	99½	99¾
OKB 1983 7¾pc	99¾	100½
SNCF 1985 8¾pc	99½	99¾
Std. and Chtrd. '84 7 11/16pc	99½	100½
Wms. and Glyns '84 8 11/16pc	99½	100½
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¾pc '87	83	84½
Ashland 5pc 1988	86½	88
Babcock & Wilcox 6½pc '97	94½	95½
Beatrice Foods 4¾pc 1992	93½	95
Beatrice Foods 4½pc 1992	103	105
Beecham 6½pc 1992	97	98
Borden 5pc 1992	97½	99
Broadway Hale 4½pc 1987	78½	80
Carnation 4pc 1987	76½	78
Chevron 5pc 1988	123½	125
Dart 4¾pc 1987	78½	80
Eastman Kodak 4½pc 1988	81½	83
Economic Labs. 4½pc 1987	77	78½
Firestone 5pc 1988	80	81½
Ford 5pc 1988	88½	90
General Electric 4¾pc 1987	78	79½
Gillette 4¾pc 1987	78	79½
Gould 5pc 1987	109½	111
Gulf and Western 5pc 1988	85½	87
Harris 5pc 1992	149	151
Honeywell 6pc 1986	89	90½
ICI 6¾pc 1992	86½	87½
INA 6pc 1997	96	97½
Inchcape 6¾pc 1992	112½	113½
ITT 4¾pc 1987	80	81½
Jusco 6pc 1992	120	121
Komatsu 7¾pc 1990	127½	128½
J Ray McDermott 4¾pc '87	154	156
Matsushita 6¾pc 1990	161½	162½
Mitsui 7¾pc 1990	130½	131½
J. P. Morgan 4¾pc 1987	93	94½
Nabisco 5½pc 1988	100	101½
Owens Illinois 4½pc 1987	106	107½
J. C. Penney 4¾pc 1987	77½	79
Revlon 4¾pc 1987	105	106½
Reynolds Metals 5pc 1988	83	84½
Sandvik 6¾pc 1988	108½	110½
Sperry Rand 4¾pc 1987	87	88½
Squibb 4¾pc 1987	79½	81
Texaco 4¾pc 1988	79	80½
Toshiba 6¾pc 1992	133½	134½
Union Carbide 4¾pc 1982	93	94½
Warner Lambert 4¾pc 1987	82	83½
Warner Lambert 4¾pc 1988	78	79½
Source: Kidder, Peabody Securities.		

INTERNATIONAL FINANCIAL AND COMPANY NEWS

..dustrial problems cast a ..adow over News advance

JAMES FORTH SYDNEY, April 10.

LIMITED, the inter- ..al newspaper and publish- ..oup, raised group profit 28 ..ent., from $A8.5m. to ..7m. ($US12.4m.) in the ..ber half year, on a 31 per ..ncrease in gross revenue, $A81.7m. to $A107m. ..directors said that results ..six months were pleasing. ..ey warned that difficult ..conditions experienced ..he Christmas break would ..a dampening effect on ..during the second half. ..p profits, including equity ..i nthe second half were ..ed to reflect unfavourably ..ere industrial problems in the U.K. and the problems affecting both the industrial and trading conditions in New York.

The group acquired the New York Post and the New York Magazine Company early last year. The directors said that considerable losses were being incurred in New York, but they remained hopeful that the New York Post could be built into a viable newspaper.

They pointed out that the U.S. results were again affected favourably by a substantial tax credit available under U.S. tax laws.

News International, the U.K. arm which includes the Sun and the News of the World, recently reported an increase in pre-tax earnings for 1977 from £15.6m. to £18.15m. The interim dividend has already been declared at 4 cents a share.

* * *

JOHN LYSAGHT (Australia), the steel and coil producer, more than halved its profit, from $A9.9m to $A4.6m. ($US5.3m.) in 1977, writes James Forth from Sydney. The company is equally owned by Britain's GKN group and Australia's only steel maker, Broken Hill Proprietary. Lysaght directors attributed the result to depressed conditions in the Australian market

..nited Plantations profits soar

WONG SULONG KUALA LUMPUR, April 10.

..AX profits at United ..tions soared by 140 per ..last year to 26.8m. ringgits ..1.4m.) as a result of ..able prices and higher pro- ..n volumes of the company's ..main crops—oil palm and

..reakdown of the financial ..s, however, showed that ..during the second half, at ..ringgits, did not match up ..performance during the ..half year's 14.6m. ringgits, ..ing the lower prices of the ..commodities during the ..part of the year.

..agreement was reached last ..y to sell the group's furni- ..making subsidiary Scanlock, ..ai Malaysian Rattan and Wood Industries. A provision of 3m. ringgits has been made for losses in Scanlock and this has been incorporated in the 1977 account of the parent company.

United Plantations has recently embarked on a major cocoa diversification and future cocoa prices will have a strong bearing on the company's results.

A final dividend of 12.5 cents is declared, raising total dividends for the year from 15 to 17.5 cents. A one-for-ten scrip issue is also proposed.

New Straits Times

The New Straits Times Press, the biggest newspaper group in Malaysia, staged a strong recovery during the first half of the current financial year, increasing its pre-tax profit by 39 per cent. to $M6.64m. ($M2.8m.), writes Wong Sulong from Kuala Lumpur.

The company reported an all-round improvement in its activities. Advertising revenue was up, and losses in its subsidiaries were trimmed. The parent company which published the country's major English and Malay newspapers, reported a 14 per cent. increase in sales while profits rose by 22 per cent. to $M6.8m. The subsidiary, Berita publications converted a loss into a small profit, while Business Times, managed to cut losses substantially. A 15 per cent. dividend is declared.

..rdine Matheson offshoot lifts earnings

..Y F. H. LEE SINGAPORE, April 10.

..DINE MATHESON and Co. ..h East Asia), a subsidiary ..Hong Kong trading house, ..eported a 10.6 per cent. in- ..in group after-tax profit ..9.29m. for 1977.

..er extraordinary items, ..ngs attributable to share- ..rs rose by 17 per cent. to ..5m.

..dine attributed the im- ..d performance to the con- ..d growth of its engineering, ..e construction and oil servicing interests. However, its manufacturing sector performed disappointingly.

The group has forecast a modest increase in earnings in the current year.

The dividend payment for 1977 has been maintained at 20 Hong Kong cents per share.

Asian CD growth

Since the Asian dollar certificates of deposit market started at the beginning of this year 20 banks have issued a total of about $U.S.450m. of fixed rate CDs for periods of up to 12 months, Ng Kok Song, deputy manager of the monetary authority of Singapore's international department said, reports Reuter from Hong Kong. At the first Asian foreign exchange and money dealers congress, he said seven banks have raised a total $U.S.120m. in the form of three-year floating rate CDs.

..reatermans sells lossmaking stores

..RICHARD ROLFE JOHANNESBURG, April 10.

..STORE group Greatermans, ..profits have declined ..ly in recent reporting ..ds, has moved to restore ..ability by the proposed sale ..ts largest lossmaker, the ..Stores chain. This con- ..of 18 discount stores and ..accumulated losses of ..n. ($4.9m.) at the last full year to June 30 with a further undisclosed loss over the six months to December 1.

Greatermans' policy recently has been to try to revive Rave by its own efforts. The stores pulled out of hire purchase business in September and reduced prices. A month ago, Rave hired two key executives from the rival group Dion Discount Centres at reputedly huge remuneration tied to performance. But Dion Discount, which ironically sold Rave to Greatermans in 1968, has now bought it back for approximately R4m.-R5m. with the exact price to be determined after stock-taking this week. The initial approach for the sale was made by Greatermans.

Sharp gain forecast by Isuzu Motors

TOKYO, April 10.

ISUZU MOTORS expects a rise of about 80 per cent. in after-tax profit in the first-half year ending April 30 to about Y5bn. ($22.7m.) from Y2.79bn., on a sales rise of about 16 per cent. to Y265bn. ($1.2bn.) from Y227.64bn.

Isuzu attributes the expected sharp rise in after-tax profit to brisk exports and increased domestic demand for high-grade passenger cars and large trucks.

Vehicle sales in the November-April period are expected to total 195,000, including 49,000 passenger cars, compared with 158,000, including 38,000 passenger cars, in the same period of last year.

Exports will rise to 110,000 from 79,000, increasing Isuzu's export ratio to 56 per cent. from 50 per cent., according to the company.

The steep yen appreciation against the U.S. dollar is said not to have a major impact on the company, because most of its exports are made on a yen-denominated basis.

Vehicle sales in the second-half, ending November 30, are expected to rise further, to 203,000 as an increase in demand for large trucks is looked for following increased Government spending for public works.

The company plans to declare an unchanged dividend of Y4 for the current year.
Reuter

Taiyo Fishery advance

Taiyo Fishery Company's net profit for the year to January 31, was unchanged at Y1.1bn. ($5m.), on sales up to Y519.3bn. ($2.4bn.) from Y481.4bn., reports AP-DJ from Tokyo. The company forecasts net profit again unchanged at Y1.1bn. on sales of Y550bn.

Tokyu Store ahead

Increased earnings are announced by Tokyu Department Store, reports AP-DJ from Tokyo. Net profit advanced from Y1.42bn. to Y1.69bn. ($76m.) in the year ended January 31 last on sales up from Y173.3bn. to Y183.17bn. ($825m.). The company forecasts a net of Y1.78bn. on sales of Y193bn. for the current year.

Japanese bankruptcies

Japanese bankruptcies rose from 1,212 in February to 1,517 in March, but were down from a record monthly high of 1,705 in March, 1977, the Tokyo Commerce and Industry Research company said, Reuter reports from Tokyo. The company, whose figures are used by the Bank of Japan for its bankruptcy statistics, said debts involved in March fell to Y244bn. from a record monthly high of Y493bn. in February, and Y264bn. in March last year.

LENDING COMPETITION IN JAPAN

Mutual banks get together

BY YOKO SHIBATA IN TOKYO

THE SHAPE of Japan's banking industry is changing rapidly as a result of pressures from Government and industry on the smaller banks to become more efficient. Last month, Japan's second largest mutual bank, Yogo Mutual, announced that it was negotiating to merge with the fourth-ranked Kinki Mutual Bank to become the largest mutual bank in Japan. It would be the first major merger among the country's 71 mutual banks or its 468 smaller credit associations, but financial analysts anticipate a rush of mergers and takeovers now that the stronger banks are fighting for business among the traditional clients of the smaller financial institutions.

The Ministry of Finance (MOF) has encouraged the smaller institutions to regroup. The MOF maintains a list of banking institutions "requiring special supervision," and most of the 20 names on that list at the end of January were mutual banks. Typically, the banks listed for supervision have accumulated a large amount of bad loans, but most mutual banks have suffered setbacks to profits for several consecutive terms. In the 6 months to September, combined recurring profits for the 71 mutual banks declined by 15.2 per cent. from the previous half-year. Only 14 of the mutual banks reported gains in recurring profits, compared with 47 in the previous March term.

The mutual banks have been hit by the protracted recession in corporate demand for funds. They rely on smaller companies to borrow at interest rates higher than the big banks are able to charge large corporations, and the excess of liquidity in Japanese banking has sometimes led big and smaller banks into cut-throat competition over small business loans.

The Ministry of Finance maintains "guidance" on big bank activities in order to protect smaller institutions, but an official of the mutual banks association says: "Medium and small banking institutions are being suffocated by the City banks' cutting of interest rates on loans, and the City banks are invading our own field of business." The City and regional banks can lend at relatively low rates these days because of interest earned on big accounts and the huge size of their internal reserves and foreign exchange income. Thus, in a borrower's market, the mutual banks face stiff competition which the MOF has not wholly banished. Indeed, the mutual banks now fear that the MOF and Bank of Japan (BOJ) may be preparing them for even stiffer competition by loosening restrictions on the opening of new branches or relaxing the "window guidance" on the amounts of cash banks can lend in any given quarter. The BOJ recently announced 12 per cent. increase on a year ago in the lending ceiling for City banks to roughly Y1,000bn. during the April-June quarter.

A rush of mergers and takeovers among the 71 Japanese mutual banks and 468 smaller credit associations is being looked for in the face of competition from the larger City banks

According to one analyst, small business loans now account for nearly half the increase in outstanding loan balances at the big City banks, and the demand for cash in small and medium-sized corporations (notably retail and food companies) is one of the few bright spots on an otherwise grey company lending horizon.

Competition for lending funds with City banks has therefore cut the mutual banks' interest rate differentials substantially. In September, 1977, the margin on procured funds at the mutual banks had fallen to 0.26 per cent. from the 0.51 per cent. pertaining in March of last year. At credit associations the margins have been slashed by 0.10 per cent. to 0.35 per cent.

Corporate bankruptcies, moreover, have put the mutual banks into a more precarious position. The 17,926 companies which failed last year with Y2,800bn. in bad debts were generally small or medium-sized businesses which depended largely on small financial institutions for support. As a result, mutual financing banks have seen their ratio of bad debts to outstanding lending increase to 2.5 per cent. (compared with 1.5 per cent. at City banks and 3.3 per cent. at Credit associations), according to Tokyo Shoko Research which analyses Japan's bankruptcy figures.

Given the relatively poor showing of mutual banks and their relatively inefficient procurement of funds, the MOF is keen to engineer what it calls "management efficiency" among smaller institutions. "Inefficient banks of any size should solve their problems by reorganising through business tie-ups and mergers," according to Mr. Itaru Ishikawa of the MOF's banking bureau, writing in the MOF's house magazine. The MOF has not yet issued any "administrative guidance" on reorganising the mutual banks, but the MOF will "welcome" voluntary efforts in this direction, MOF's banking bureau says. The nearing of an agreement by two of Japan's largest mutual banks to merge is an indication that more will come as soon as the MOF's seal of approval trickles down to the less sophisticated members of Japan's banking fraternity.

Tokyo test for Midland's overseas plans

MIDLAND BANK to-day opened in Tokyo its only overseas branch in a major financial centre. Although the present depressed state of corporate demand for yen and dollar funds which may keep the office an unprofitable proposition for at least the next year, Midland's push into Japan is seen as an attempt to gain a foothold in the Japanese financial market-place, and as a test case for future direct expansion abroad, writes Douglas Ramsey from Tokyo.

Until now, Midland has concentrated its presence overseas inside consortium banks, notably in New York where it is a member of the European American Banking Group, an offshoot of the EBIC co-operative organisation — though it previously had a branch there. In Tokyo, three of the EBIC members — Deutsche Bank, Societe Generale, of France, and Banca Commerciale Italiana—have been operating independent branches for some time—Midland, which has no branching network elsewhere overseas, is keen to determine whether it is worth revising its overseas lending strategy more closely on the line taken by other British clearing banks.

It has probably cost Midland at least £1m. to set up the branch office which will initially employ between 22 and 25, "a fairly modest operation," one executive admits.

Although Midland will initially run up against the same wall of over-liquidity in Japanese business which thwarts lending by all foreign branches in Japan, the U.K. clearing bank is further handicapped by the confines of its overseas operations. Other British banks provide a strong source of information to Japanese companies on third markets (take Barclays in Africa and Lloyds in South America). Midland's interest in consortium banks in key financial markets is parallel to what Japanese banks—or even Midland's EBIC partners—can offer out of their Tokyo offices.

Despite the downturn in corporate demand for foreign funds, Midland believes that it can garner a respectable number of loan clients. All branches are allowed to swap foreign currency into yen for domestic lending up to ceilings administered by the Finance Ministry. Government sources say that Midland's ceiling, at $22m., is fairly high compared with that of at least one other U.K. clearing bank (which set up after the oil crisis) which now has a ceiling of $28m. The main constraint on lending, of course, may be from within Midland itself, which is keen not to extend itself in the Japanese market until it has acquired the necessary credit appraisal experience.

..OMPANY NOTICES

I.U. OVERSEAS FINANCE N.V.
U.S. $35,000,000 8¾ per cent. Guaranteed Bonds due 1987

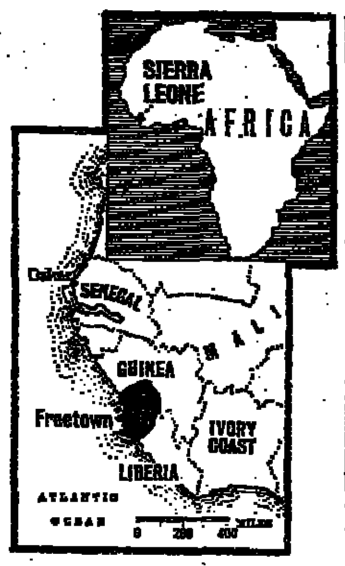
Holders of the above mentioned Bonds are hereby notified that, pursuant to the applicable provisions of the Trust Deed constituting the Bonds, the exchange date for this issue has been determined to be 26th April, 1978. The bearer of a Temporary Bond shall be entitled, upon the surrender thereof on or at any time after the said exchange date and upon compliance with the provisions set forth in the said Trust Deed, including completion of a certificate of non-U.S. beneficial ownership, to exchange such Temporary Bond for a Definitive Bond with Coupons attached thereto free of charge at the office of Morgan Guaranty Trust Company of New York, 33 Lombard Street, London EC3P 3BN, England.

I.U. Overseas Finance N.V.

President Siaka Stevens . . . one-party system soon.

Nearing a political and economic watershed . . .

A clouded future for Sierra Leone



BY MARTIN DICKSON

"SOMEONE up there loves me," declares the message daubed on the mini-bus jolting along the deeply rutted road outside Kenema, centre for Sierra Leone's declining diamond industry. But whatever gods are smiling on Sierra Leone they are not those of economic good fortune.

The economy is going through tough times and there is no easy or immediate way out of them. Politically, too, this is a time of uncertainty. President Siaka Stevens is expected to move shortly—possibly this month—to replace the two-party system inherited from the British at independence by a one-party State.

There is a sleepy air about Freetown, the capital, and the same can be said of the Sierra Leone economy. Real GDP is estimated to have risen on average by only about 2 per cent a year between 1970-71 and 1976-77. With a similar rate of population increase, there can have been little improvement in living standards for the mass of the country's 3m. people.

Sierra Leone's financial situation deteriorated sharply between 1974 and 1976 as export production flagged amid rising import costs, a stagnation in Government revenues, and rapidly expanding Government expenditure. Although there was some improvement last year, the short and medium-term outlook is not bright.

Central to the country's problems is the rapid fall in the production of diamonds, long a mainstay of the economy, accounting for some 60 per cent. of export earnings. The country has also stopped mining iron ore, which used to provide some 10 per cent. of export revenue. The steep rise in the world price of coffee and cocoa over the past two years has temporarily helped offset this shrinking export base, but there has been no sustained growth in the output of either commodity.

At a time of mounting foreign debt—much of it in expensive short-term suppliers' credits—there has been a sharp deterioration in the balance of payments, with a projected deficit this year of about £30m., and a trade gap of about £17m., due in part to recently falling cocoa and coffee prices. Foreign exchange reserves are sufficient to cover no more than two months' worth of imports.

Large deficit

At the same time, the Government has been running a large fiscal deficit—estimated at about £26m. for the 1976-77 financial year, about 30 per cent. of total expenditure. Although the IMF last year demanded a reduction in the deficit in return for an SDR9.02m. (£5.6m.) standby credit, the overall deficit is expected to widen slightly this year.

Sierra Leone is thought likely to approach the IMF shortly for a second credit tranche but it can expect tough negotiations. The IMF is thought to be unhappy not only about the budget deficit but also over some £8.5m. worth of new extra-budgetary expenditure financed largely by short-term foreign borrowing. (The Government has been relying heavily on contractor finance and supplier credit, which, at £33m., accounted for 38 per cent. of total external debt at the end of the last financial year.)

The serious external debt position, and the plight of the economy generally, is underlined by an agreement last September between the Government and the Paris Club of Western creditor nations for the rescheduling of Sierra Leone's debt repayments due between mid-1976 and the middle of this year. Relief was given on 80 per cent. of the interest and principal, which will now be repaid over 10 years with a 30-month grace period.

Sierra Leone's economic difficulties may not be nearly as great as those of some other African countries and the Government cannot be blamed for dwindling diamond reserves. But some critics argue that (admittedly with limited financial resources) there has been insufficient push from the top for agricultural and manufacturing capital investment and diversification to tide the country through the lean years ahead.

Sierra Leone's small manufacturing sector is all but stagnating. On top of the problems of a small market with limited purchasing power, local entrepreneurs grumble about insufficient incentives for the foreign investor. And while the Government is trying to increase agricultural production, notably through regional development projects, it will be some years before this makes any appreciable impact on cash crop exports.

Diamond output, meantime, has been falling by about 25 per cent. a year recently. Although small diggers will long continue to pock-mark the landscape as they mine the alluvial deposits spread across eastern Sierra Leone, large-scale operations appear to be nearing an end.

Diminco, the country's only large-scale producer, accounting for some 50 per cent. of national diamond production, has now mined out most of its richest Kimberlite pipes. Unless there is an unexpected rise in diamond prices (on top of valuable 15 and 17 per cent. increases last year), Diminco officials believe that production will no longer be viable in five years, at the outside.

Iron ore mining ceased in 1975 when the country's sole producer, Delco, went into liquidation, and there seems no hope of resumed production by international companies in the present depressed state of the market. Falling diamond production will only be partly compensated for by increased bauxite production (there are plans for an alumina plant) and renewed output of rutile (used in paint pigments).

But while these difficulties may produce an undercurrent of economic discontent in a poor country where wealth is concentrated in the hands of a small elite, the political impact—on the surface, at least—appears to have been limited. The most tangible sign of unrest occurred at the start of last year when university students at Fourah Bay College, set on a mountain above Freetown, demonstrated in support of economic and social changes and early general elections. There were muttered allegations of official corruption.

Campus invaded

They got the early elections—called last May, a year early—but also a violent invasion of the campus by thuggish supporters of the ruling All People's Congress (APC), some of them armed.

Nor were the elections a lesson in peaceful, multi-party democracy. There was considerable violence during the campaign by supporters of both the APC and the opposition Sierra Leone People's Party (SLPP).

The SLPP managed to secure 15 seats in the 100-seat parliament, but it may now be heading for oblivion. Ever since the election, President Stevens has been saying that the time is now ripe for the introduction of a one-party system and it seems likely that he will want to bring this in this year.

According to one Minister, a process of "osmosis" will take place whereby the remaining SLPP Parliamentarians will be absorbed into the APC. This would appear to boil down to a combination of blandishments (one opposition member has already crossed the floor) and threats. The seats of three other SLPP men have been declared vacant because they have been absent from sittings of the House for more than 30 days—having been detained by the Government since the election.

Given such tactics by the Government, official assertions that a one-party State will simply be *de jure* recognition of a *de facto* state of affairs ring hollow. Nevertheless, some argue that, however it is achieved, a one-party system could benefit the country.

President Stevens maintains it is necessary if the country is "not to disintegrate into tribal factions, with all that would imply." Certainly tribalism is an important element in politics, with the SLPP drawing its support from the Mendes of the South. The APC is strongest among the northern tribes but does have a significantly broader base.

This appears due in no small measure to President Stevens himself, whose father was a northener and mother a southerner. More than any other politician, he can speak for the country and maintain balance. Although in good health, he is now 72, and a one party state might help contain any battle for power after his death.

A multi-party system has not proved particularly effective in Sierra Leone, as shown by the excesses of both sides at the last election and in the 1967 poll, when a military coup prevented the APC taking office after it had defeated the then ruling SLPP.

Set against all this there are other Sierra Leoneans who argue that, whatever its defects, a multi-party system should be kept alive, since in the long-term it might prove itself and in the short term it would provide a check on Government excesses.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Business and Investment Opportunities

Every Tuesday and Thursday

Rate: £16 per single column centimetre. Minimum 3 centimetres. For further information contact: Francis Phillips, Financial Times, 10 Cannon Street, EC4P 4BY. Telex: 885033.

01-248 4782 & 01-248 5161

Mild gain ahead of inflation speech

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 10.

AFTER OVERCOMING some mid-day profit-taking, the Wall Street stock market firmed to score its fifth consecutive gain following another active trading session.

The day's improvement, however, was modest, with investor enthusiasm restrained somewhat awaiting President Carter's anti-inflation address, scheduled for to-morrow.

The Dow Jones Industrial Average closed 4.07 higher at 773.65, after earlier easing to 766.11, while the NYSE All Common Index was finally 17 cents firmer at $50.58 and gains led losses by 758-to-636. Turnover came to 25.74m. shares compared with last Friday's 25.16m.

Some support came in the final hour from a Government report showing a 1.87 per cent. rise in U.S. retail sales during March, analysts added.

Marshall Field, however, retreated 1½ to $22½—Gamble Skogmo stated that it is not interested in taking over or merging with Marshall Field.

Du Pont shed ¾ to $104¾—the Federal Trade Commission has issued a complaint charging that Du Pont dominated the U.S. titanium dioxide pigment business through unfair means.

THE AMERICAN S.E. Market Value Index recorded a fresh rise of 0.46 at 132.27 after busy trading. Volume 3.82m. shares (3.86m.).

OTHER MARKETS

Canada strong

Canadian Stock Markets strengthened further yesterday across a broad front in an active business. The Toronto Composite Index finished 6.7 higher at a new 1978 peak of 1,081.9, while Oils and Gas advanced afresh by 12.1 to 1,471.5. Metals and Minerals gained 5.5 at 900.6, Banks 3.67 at 254.81, and Papers 0.33 at 108.20.

PARIS — Shares mostly reacted in a very busy session interrupted by a bomb hoax, the dullness reflecting profit-taking induced by worries about the increasing alienation of the Gaullist party from the Giscardian Centre in the ruling coalition Government.

Banks, Electricals and Constructions were the hardest-hit sectors. Cie Bancaire fell 18.8 to Frs.337, Bouygues 25 to Frs.650, and Lafarge 7 to Frs.161, while Ciments Francais were unquoted after heavy selling orders.

Carrefour, Michelin, Club Mediterrané Perrier, Printemps and La Redoute were other leading stocks to lose ground.

CGE retreated 8.2 to Frs.357 despite forecast higher profits. Creusot-Loire, however, were in strong demand and rose 3.6 to Frs.71.6.

BRUSSELS—Local issues made further progress in increased activity.

Vieille Montagne advanced 90 to B.Frs.1,450 and Hoboken 305 to B.Frs.2,405 despite extended strikes at their plants. Traction Electric put on 25 to B.Frs.2,670 after announcing higher 1977 dividend and profits.

Banque Lambert added 26 at B.Frs.1,498, but La Royale Belge shed 20 to B.Frs.5,650.

AMSTERDAM — Generally firmer, buoyed by the favourable OECD report on Dutch economic prospects.

Ahold and Pakhoed rose Fls.2 apiece, while Burhmeister Tetterode put on Fls.1.70, but Elsevier were Fls.4.10 cheaper.

Hoogovens, up Fl.1, led Dutch Internationals modestly higher, but Royal Dutch eased a shade.

GERMANY—Market opened the week on a quiet and mixed note in the absence of new factors.

Leading Banks, Chemicals and Electricals were up to DM1 firmer, except AEG, which slipped 70 pfennigs. Mercedes led Motors lower with a loss of DM1.50. KHD rose DM2.90 among Engineerings, but Demag were down DM3. Metallgesellschaft shed DM1 on announcing lower earnings for the first five months of its year to end-September.

Public Authority Bonds recorded movements extending to 20 pfennigs in both directions, while the Regulating Authorities made no net intervention after buying just under DM3m. nominal of stock last Friday. Mark Foreign Loans were steady.

SWITZERLAND—Prices were mixed with an easier bias in quiet trading, affected by the current restrictions against foreign investors and domestic investor caution.

Among leading Banks, Union Bank Bearer lost 30 to Sw.Frs.3,025; influenced by Credit Suisse, at Sw.Frs.2,185, being traded ex-rights on the capital increase. Credit Suisse Bearer new were traded at Sw.Frs.132 and the Registered new at Sw.Frs.25.

Among Industrials, Nestle Bearer lost 40 to Sw.Frs.3,275, but Merkur rose.

MILAN — Mainly lower levels prevailed after thin trading, but ANIC gained 1.25 to L99.50.

Generale Immobiliare and Finsider became steadier in mixed Financials.

JOHANNESBURG — Golds tended to go modestly lower on a further decline in Bullion prices, with trading very quiet ahead of President Carter's inflation measures announcement.

Financial Minings were mixed in light trading. De Beers fluctuated between R5.30 and R5.35 before ending a cent harder on balance at R5.33.

HONG KONG — Softer for choice after fairly quiet trading, with sentiment affected by continued local and overseas selling of Hong Kong Bank on its planned acquisition of 51 per cent. of Marine Midland Banks, of the U.S.

Hong Kong Bank receded 30 cents more to $HK14.90, while Hutchison Whampoa, ahead of to-day's results, lost 7.5 cents to $HK4.425. Hong Kong Land shed 5 cents to $HK7.30.

However, Jardine Matheson and Swire Pacific were both steady.

TOKYO — Market remained easier-inclined, with Pharmaceuticals, Foods and large-capital issues particularly dull. The Nikkei-Dow Jones Average lost 7.19 to 5,464.83, with volume amounting to 210m. shares.

Many Public Works shares drifted down on liquidations in the absence of fresh market stimuli.

Kaken Chemical fell Y93 to Y695, Fujiswa Pharmaceutical Y30 to Y890, Honen Oil Y29 to Y481 and Heiwa Real Estate Y9 to Y685.

AUSTRALIA—Shares closed on a mixed note.

BHP retreated to $A6.04 before recovering to end a net 4 cents down at $A6.12 after a large turnover. David Jones receded 5 cents to $A1.07, but Jennings, $A1.13, and ANI, $A1.38, put on 3 cents apiece. Among Banks, BNS Wales declined 6 cents to $A5.24, and ANZ 3 cents to $A2.72.

Australian Gypsum gained 2 cents to $A2.12 on further consideration of Boral's offer. Central Pacific advanced 30 cents to $A3.90 in Oils.

In the Mining sector, Oakbridge fell 9 cents to $A1.66 and Bougainville shed 3 cents to $A1.10, but Renison Tin gained 6 cents to $A5.90 and Pancontinental 10 cents at $A10.70.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sony	1,047,100	8	+⅛
Inter. Tel. & Tel.	290,800	29½	−⅛
J. Ray McDermott	250,300	27¾	+1⅛
Occidental Petrlm.	246,600	21⅞	—
Marshall Field	219,700	22½	−1½
Kennecott Copper	184,900	27⅛	−⅛
Continental Oil	177,700	26	−⅛
Utd. Technologies	173,500	37	+⅛
Westinghouse Elec	170,200	18½	+⅛
Royal Dutch	164,500	58¾	−⅛

Indices

NEW YORK DOW JONES

	Apr. 10	Apr. 7	Apr. 6	Apr. 5	Apr. 4	Apr. 3	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	773.65	769.58	763.95	765.08	755.57	751.04	817.74 (3/1)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	89.35	89.35	89.40	89.50	89.49	89.46	90.86 (4/1)	89.35 (26/1)	—	—
Transport	208.90	208.02	206.86	206.27	205.49	205.40	215.77 (3/1)	199.31 (9/1)	279.88 (7/2/69)	13.23 (6/7/32)
Utilities	105.92	105.95	106.56	105.31	105.04	104.74	110.98 (3/1)	102.84 (22/2)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's †	25,740	25,160	27,650	27,260	20,150	20,260	—	—	—	—

* Basis of index changed from August 24.

Ind. div. yield %	Apr. 7	Mar. 31	Mar. 24	Year ago (approx.)
	6.06	6.16	6.16	4.61

STANDARD AND POORS

	Apr. 10	Apr. 7	Apr. 6	Apr. 5	Apr. 4	Apr. 3	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	99.54	99.17	98.72	98.56	97.65	97.20	105.22 (3/1)	95.52 (6/3)	154.64 (11/1/73)	3.52 (30/6/32)
§Composite	90.49	90.17	89.79	89.64	88.96	88.46	95.82 (3/1)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Apr. 5	Mar. 29	Mar. 22	Year ago (approx.)
Ind. div. yield %	5.39	5.46	5.46	4.29
Ind. P/E Ratio	8.48	8.48	8.48	10.21
Long Govt. Bond yield	8.32	8.25	8.15	7.73

N.Y.S.E. ALL COMMON

Apr. 10	Apr. 7	Apr. 6	Apr. 5	1978 High	1978 Low
50.58	50.41	50.19	50.09	51.82 (3/1)	48.37 (6/3)

Rises and Falls

	Apr. 10	Apr. 7	Apr. 6
Issues traded	1,836	1,841	1,848
Rises	758	868	819
Falls	636	523	593
Unchanged	469	446	436
New Highs	87	75	69
New Lows	15	11	14

		Apr. 10	Apr. 7	Apr. 6	Apr. 5	1978 High	1978 Low
MONTREAL	Industrials	178.56	177.71	176.91	175.50	178.56 (10/4)	162.90 (16/2)
	Combined	184.91	185.91	185.02	181.27	184.91 (10/4)	170.62 (30/1)
TORONTO	Composite	1081.9	1075.2	1069.9	1064.6	1081.9 (10/4)	998.2 (30/1)
JOHANNESBURG	Gold	197.4	198.5	199.5	199.9	218.7 (1/2)	195.0 (21/3)
	Industrials	205.7	205.6	205.0	204.6	214.4 (4/1)	194.4 (13/3)

	April 10	Previous	1978 High	1978 Low
Australia(¶)	459.23	460.14	479.45 (5/1)	441.19 (1/3)
Belgium (‖)	98.16	96.68	98.16 (10/4)	90.45 (12/1)
Denmark**	96.32	96.26	98.13 (9/1)	94.00 (6/2)
France (††)	63.7	64.6	64.6 (7/4)	47.6 (3/2)
Germany(‡‡)	801.5	800.4	812.7 (10/2)	788.2 (4/1)
Holland (§§)	77.8	77.0	82.1 (10/2)	76.0 (4/4)
Hong Kong (¶¶)	446.20	447.17	461.67 (4/4)	383.44 (13/1)
Italy (‖‖)	60.06	60.54	63.66 (6/3)	56.45 (10/1)
Japan (a)	408.79	408.99	410.62 (5/4)	364.04 (4/1)
Singapore (b)	296.77	295.85	296.77 (10/4)	262.00 (9/1)

	April 10	Previous	1978 High	1978 Low
Spain (d)	—	90.75	96.90 (10/1)	87.82 (17/3)
Sweden (e)	372.50	371.80	372.50 (10/4)	325.78 (5/1)
Switzerl'd (f)	296.5	295.5	325.7 (14/1)	280.4 (10/3)

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord. (‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam. Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Closed. (d) Madrid SE 30/12/77 (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM50 denom. unless otherwise stated ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ♠ Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. △ Interim since increased.

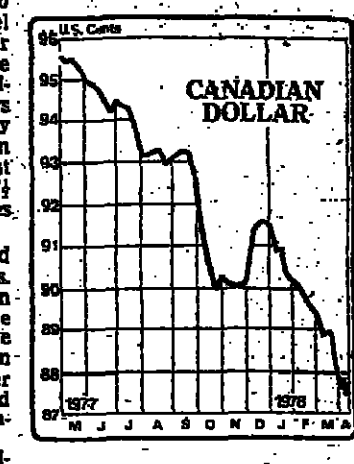
Dollar eases

Although closing above Friday's levels, the U.S. dollar lost ground from the outset in yesterday's foreign exchange market to finish almost at its weakest level of the day. Coming under pressure from the start, the dollar suffered some sizeable selling in addition to market fears over to-day's announcement by President Carter on anti-inflation measures. Against the West German mark it fell to DM2.0077½ from DM2.0160, having been as low as DM2.0055 at one point.

The Swiss franc also benefited to Sw.Frs.1.8530 against Sw.Frs.1.8675 on Friday. Morgan Guaranty's calculation of the dollar's trade-weighted average depreciation, using noon rates in New York, widened to 6.28 per cent. Using Bank of England figures, the dollar index stayed unchanged at 88.4.

Pre-budget tension kept dealings in sterling at a pretty low level. Trading within a narrow range of $1.8175-1.8780, it opened at 1.8750-1.8760 before improving slightly to close at $1.8760-1.8770, a gain of 20 points from the previous close. The pound's trade weighted index on Bank of England figures remained unchanged throughout at 62.2.

Elsewhere the Canadian dollar sank to a new low against the U.S. dollar to close at 87.46½ from 87.66½. Gold traded very quietly, finishing $½ an ounce weaker at $178½-179¼. The Krugerrand's premium over its gold content widened to 3.56 per cent. domestically and 3.28 per cent. in international dealings over the previous common close of 3.13 per cent.



GOLD MARKET

	April 10	April 7
Gold Bullion (a fine ounce)		
Close	$178½-179¼	$179-179½
Opening	$178½-179¼	$180-180½
Morning fix'g	$178.70 (£95.256)	$179.25 (£95.677)
Aftern'n fix'g	$178.70 (£95.256)	$179.10 (£95.444)
Gold Coin domestically		
Krugerrand	$184¼-186¼ (£98¼-99¼)	$184-186 (£98¼-99)
N'w Sov'gns	$54¾-56¾ (£29½-30½)	$55¼-57¼ (£29½-30)
Old Sov'gns	$56¾-58¾ (£30¼-31¼)	$57¼-59¼ (£30½-31)
Gold Coins (Internat'lly)		
Krugerrand	$183¾-185¾ (£98-99)	$184-186 (£98¼-99)
New Sov'gns	$54-55 (£28¾-29¼)	$55¼-57¼ (£29½-30)
Old Sov'gns	$56¾-58¾ (£30¼-31¼)	$57¼-59¼ (£30½-31)
$20 Eagles	$288¼-291¼	$289-292

CURRENCY RATES

	Special Drawing Rights April 10	European Unit of Account April 10
Sterling	0.661605	0.675310
U.S. dollar	1.24044	1.26669
Canadian	1.41745	1.44633
Austria sch	17.9523	18.3090
Belgian franc	38.9250	39.7487
Danish krone	6.90057	7.03725
Deutschem'rk	2.49490	2.54614
Dutch guilder	2.66757	2.72272
French franc	5.64090	5.75739
Italian lira	1055.68	1077.33
Japanese yen	273.207	277.750
Norway krone	6.59294	6.73137
Spain peseta	98.7986	100.770
Swedish krone	5.68705	5.78753
Swiss franc	2.30536	2.35234

EXCHANGE CROSS-RATES

April 10	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2.0060-75	44.15-30	6.40-41	3.765 775	93.50-60	108.35-65
New York	49.84 87	—	21.89-22.02	3.1900 1960	1.8747 8757	46.65 70	53.90 54.00
Paris	226.36-6.36	4.5415-5635	—	14.468-602	8.5185-8385	211.36-86	244.71-5.21
Brussels	15.59-64	31.38-43	6.89-92	—	58.78-93	14.58-63	16.87-93
London	3.76½ 77½	1.8760-70	8.53½ .42	58.75-85	—	4.02½-03½	3.47½-48½
Amst'dam	106.875.925	2.1492-1517	47.30 35	6.8475-8525	4.0295 0345	—	115.875-925
Zurich	92.229-373	1.8515-30	40.692-770	5.9040-9126	3.4738-4775	86.398-548	—

U.S. $ in Toronto U.S. $=118.20 24 Canadian cents
Canadian $ in New York=87.54-56 cents. U.S. $ in Milan 850.70-1.00
Sterling in Milan 1597.00-1597.50.

EURO-CURRENCY INTEREST RATES*

April 10	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilders	Swiss franc	W. German mark
Short term	6⅛-6⅞	6¾-7¼	6¾-7	5¼-5½	¼-⅝	2⅞-3⅛
7 days notice	6⅞-7⅛	6¾-7¾	6¾-7	5¼-5½	¼-⅜	3-3⅛
Month	7-7⅜	7⅞-7⅞	7⅜ 7⅝	5-5¼	¼ ⅜	3⅛-3¼
Three months	7⅛-7⅞	7½-8⅞	7⅛-7⅛	4⅞-5⅛	⅝-⅞	3⅛-3⅛
Six months	8¼-8⅝	8⅛-8⅞	7⅝-7⅞	4¾-5	⅝-¾	3¼-3⅜
One year	8⅞-8⅞	8⅞-8⅞	7⅞-8⅛	5⅛-5⅜	1-1⅛	3¼-3⅜

Euro-French deposit rates: two-day 8½-8¾ per cent.; seven-day 8½-8¾ per cent.; one-month 8¾-9 per cent.; three-month 9-9¼ per cent.; six-month 9¾-9¾ per cent.; one-year 10½-10¾ per cent.

Long-term Eurodollar deposits: two years 8⅟16-8⅟16 per cent.; three years 8½-8⅝ per cent.; four years 8½-8¾ per cent.; five years 8⅞-8⅞ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 7.05-7.15 per cent.; three-month 7.20-7.30 per cent.; six-month 7.50-7.60 per cent.; one-year 7.80-7.90 per cent.

*Rates are nominal calling rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

FOREIGN EXCHANGES

April 10	Bank Rate %	Day's Spread	Close
New York	6½	1.8715-1.8780	1.8760-1.8[illegible]
Montreal	8½	2.1400-2.1455	2.1445-2.[illegible]
Amsterdam	4½	4.01½-4.06	4.02½-4.0[illegible]
Brussels	5½	58.70-59.25	58.75-58.[illegible]

FORWARD RATES

OTHER MARKETS

OVERSEAS SHARE INFORMATION

Inv. $ Prem. at $2.60 to £—102¾% (103¼%)
Effective rate (1.8765) 46¾% (46½%)

NEW YORK

Stock	April 10	April 7
Abbott Labs	55⅞	54⅞
Corning Glass	47¾	47⅞
CPC Int'n'tional	45	45⅛
Crane	27⅝	27⅛
Crocker Nat	25¼	26⅛
Johns Manville	29⅝	29⅛
Johnson Johnson	67	67⅝
Johnson Control	28⅛	29
Joy Manufactur'g	32¼	32½
K Mart Corp	25¼	24⅞
Kaiser Aluminium	29½	29⅝
Revlon	40	40
Reynolds Metals	28⅝	28½
Reynolds R. J.	57	56¾
Rich'son Merrell	25	22⅝
Rockwell Inter	32	32⅛
Rohm & Haas	34½	34⅝
Woolworth	18⅜	18¼
Wyly	4⅛	3½
Xerox	43⅛	43
Zapata	16⅛	16
Zenith Radio	14⅞	15⅝
U.S.Treas 4% 1980	†94⅝	†94⅜

CANADA

GERMANY ♦

AMSTERDAM

COPENHAGEN ♣

VIENNA

TOKYO ¶

April 10	*Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	335		14	2.1
Canon	484	+3	12	1.2
Casio	579	−3	25	2.1
Chinon	450		20	2.2
Dai Nippon Print	543	−6	18	1.6
Fuji Photo	556		15	1.3

Source Nikko Securities, Tokyo

BRUSSELS/LUXEMBOURG

SWITZERLAND ♠

MILAN

AUSTRALIA

Apr. 10	Aust. $	+ or −
ACMIL (25 cent)	†0.66	−0.02
Acrow Australia	‡0.90	
Allied Mnt-Trdg. Indu. $1	†2.23	
Ampol Exploration	†1.26	
Ampol Petroleum	†0.77	+0.01
Assoc. Minerals	†0.89	

PARIS

STOCKHOLM

BRAZIL

OSLO

JOHANNESBURG

MINES

INDUSTRIALS

Securities Rand $U.S.0.77¾
(Discount of 32.4%)

SPAIN ♥

FARMING AND RAW MATERIALS

...NZ lamb ...ampaign ...y butchers

...ancial Times Reporter

...AIN'S independent butchers ...hed a campaign yesterday ...l at preventing EEC inter...ce with imports of New ...nd lamb. At its annual con...ce at Cheltenham the ...nal Federation of Meat ...ers voted to join forces with ...umer organisations in their ... to assure future supplies.

...e butchers warned that Com... Market proposals now ...re the Council of Ministers ... lead to rocketing prices ...n would make lamb a luxury

... Ted Edwards, a London ...ier, told the conference: ... EEC wants to establish a ... level midway between the ...pean and the British prices. ... have promised they will not ...ase the levy of New Zealand ... above the present 20 per ...—but they say if enough ... Zealand lamb comes in to ...ess these price levels they ...put a quota on it.

...his would be a disaster for ...ewives. Lamb will become a ...y article in the U.K. as it is ...e continent."

...pporting a suggestion that the ...try's 27,000 small butchers ...ld link up with housewives ... organisations, Mr. Edwards ...d: "The Minister is on our ... Now we must make the ...ic aware of what might ...en."

... Dick Baker, a Birmingham ...her, said: "We are getting ... the position where the life...d of our trade is being taken ... from us.

...We need New Zealand lamb ...ufficient quantities for our ...e, and the housewife wants ...d needs it, too."

...e conference unanimously ...ed a resolution pressing for ...eased supplies of New Zea... meat and for the reduction ...emoval of the present 20 per ... Common Market tariff on ...

...otton team ...isits China

...S. COTTON trade delegation ... visit China from May 15 to ... 21. The National Cotton ...cil said the seven-member ... would meet executives of ...a's raw cotton buying...cy.

... would also talk to officials ...eking and Shanghai.

...am members represent the ...rican Cotton Shippers' Asso...on, the Cotton Council Inter...onal and the NCC's producer ...ring committee.

...ter

Coffee producers may lift ban on exports

BY RICHARD MOONEY

THE CENTRAL American "other milds" coffee producer group began discussions in San Jose, Costa Rica, yesterday on scaling down its price support policy.

The Central American countries—Guatemala, El Salvador, Nicaragua, Costa Rica and Panama—plus Mexico, the Dominican Republic and Venezuela, imposed a total ban on exports a month ago in an attempt to reverse the steady downward trend in world prices.

However, the ban appears to have failed in its main objective as world market prices have since fallen from about £1,400 a tonne (London Robusta futures) to little more than £1,300.

This week's discussions are aimed at arranging "a return to the international market in an orderly manner," in the words of Sr. Alvaro Jimines, executive director of the Costa Rica coffee institute. The meeting, which is expected to consider export quotas as an alternative to the total ban, could last two or three days.

Doubts have been raised on integrity with which the export ban has been adhered to, particularly by El Salvador and Guatemala. But reports that coffee from both these countries was on its way to the U.S. were denied by Sr. Ricardo Fali Caceres, director of Compania Salvadorena del Cafe and Sr. Eduardo Gonzalez, president of the Guatemalan Coffee exporters Association, at the weekend. London trade sources said they doubted that Guatemala had much coffee left to sell but thought El Salvador might well be exporting coffee.

Both countries have attributed the reports to consumer attempts to push down coffee prices.

In Bogota meanwhile Colombian coffee industry sources said they expect the 1977-78 Colombian crop to total 9.1m. bags (60 kilos each). Local Press reports have put the harvest at 10m. bags but the trade sources said it was too early to make such a high forecast because of the possibility that rain and/or drought will reduce the harvest. Last year's Colombian crop totalled 9.04m. bags, according to the National Coffee Growers' Federation. In 1975-76 the total was 8.5m. bags.

Sue Branford writes from Sao Paulo: Coffee growers consider the measures announced by the Brazilian Government at the end of last week as a "cold shower" on their hopes. The only measure to be considered in any way a concession to their lobby was the bringing forward of the end of the quota system for exports from July 1 to May 1.

The growers complain that, by summoning three state governors and two Ministers to the meeting of the national monetary council that approved the new measures, the Government was taking maximum political advantage of the situation, but in fact did little to help the sector.

Farmers are threatening to organise another "march on Brasilia" to demand real concessions.

The farmers are particularly annoyed that their main demand—an immediate increase in the guaranteed prices to 3,000 cruzeiros per 60 kg. bag—was dismissed out of hand. Instead, the Government announced, as was expected, that from July 1 it would double the present guaranteed price from 1,250 cruzeiros to 2,500 cruzeiros.

To add insult to injury, it reduced the proportion of the price available in financing from 80 to 50 per cent. Although this measure is in line with the Government's strict, anti-inflationary policy, the farmers feel that they are being called upon to make too heavy a contribution to this strategy.

U.S. warned on metal import curbs

FRANKFURT, April 10.

A U.S. DECISION to restrict copper and zinc imports could lead to other countries introducing similar protectionist measures, Mr. Walter Sies, head of Metallgesellschaft AG's economic research department, warned here, reports Reuter.

He told a Press conference the applications made by U.S. copper and zinc producers for controls were "deeply regrettable."

Support of the applications by the Trade Commission would contradict all previous views and practices of the U.S. administration, he said.

The world's excessively high copper stocks are beginning to fall, largely due to the production cuts by important producer countries such as Zambia, Zaire and Peru, Mr. Sies added.

He hoped Chile would also decide to adjust its future supplies better to the demand situation in the world market.

Meanwhile production cuts in the zinc market are beginning to work, as producers in North America, Japan and Europe adjust to economic necessity and recent extraordinarily low prices, he stated.

● On the London Metal Exchange yesterday copper prices rose encouraged by a firmer trend in New York and a bigger than expected fall in warehouse stocks. The stocks were down by 1,875 tonnes reducing total holdings to 573,350 tonnes.

The rise in copper, and strikes in Belgium, brought higher prices for lead and zinc too. Lead stocks fell by 50 to 63,225 tonnes, but zinc rose by 300 to 60,650 tonnes. LME silver holdings rose by 60,000 to 19,250,000 ounces.

U.K. BACON INDUSTRY

Curers refuse to handle boar meat

BY CHRISTOPHER PARKES

LEADING BRITISH bacon curers and retailing interests have warned farmers that despite growing pressure they are not prepared to process or sell bacon made from uncastrated male pigs. They say it would be "foolhardy" for the industry to attempt to market such meat.

Pig farmers can make greater profits from "entire" boars which reach slaughter weight more rapidly while eating less food than the traditional castrated animals.

There is now evidence that many producers are fattening boars in the hope of pressuring factories into accepting them. Reports suggest that up to 15 per cent. of all male pigs are being left uncastrated.

The curers argue that if they were to sell boar bacon they might put at risk the improvements won for the reputation of British bacon in recent years.

Bacon Quality Services, which represents 24 U.K. curers, says that trials have been run using boar meat in the bacon manufacturing process. These have shown several quality defects.

"It is our declared policy to produce consistently high-quality bacon, and we do not intend to prejudice that policy by marketing as yet unproven bacon from entire male pigs," BQS says in a statement.

BQS, a technical and scientific service company, also represents the interests of British Home Stores and Rank Hovis MacDougal. British Home Stores sells only British bacon and claims a 6 per cent. share of total sales in Britain.

The company's food-buying controller, Mr. John Alexander, said last week that his company had too much at stake to risk losing customers because of resistance to bacon made from boars.

The main concern appears to be the possibility of "boar taint" in the meat—a fishy taste or smell sometimes detected in meat from uncastrated pigs. But, Mr. Alexander added, boar bacon sliced badly and had softer, flabbier fat than conventional bacon.

The Meat and Livestock Commission has also reported a tendency for the meat to separate from the fat, wide variations in tenderness, and excessive bone in the carcase.

Mr. George Brayley, chairman of BQS, said some factories had accepted boar carcases for experimental curing, but he felt that farmers had over-reacted to some reports of favourable findings.

"The main problem is that while boars produce very lean carcases, other quality features are sacrificed. The hams are not so good, shoulders are over-large and bellies (the source of streaky bacon) are thin," he said.

Considering the delicate condition of the industry and its recent crisis, Mr. Brayley thought that now was a bad time for any experiments with public tastes and preferences.

"Many of our customers in the bacon trade do not want bacon cured from boars and we must respect their viewpoint," says a statement from BQS.

"Very significant improvements have been made in the quality of British bacon in recent years and we believe it would be entirely foolhardy at this time to put on the market bacon cured from boars."

Sudden surge in tin market

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES rose sharply on the London Metal Exchange yesterday with the cash quotation closing £260 higher at £6,055 a tonne. The rise was triggered by higher prices in the Penang market over the week-end, and a much bigger than expected decline in LME warehouse stocks of tin.

The stocks fell by 460 tonnes, cutting total warehouse holdings to 3,355 tonnes—the lowest level this year.

Fears of a nearby shortage of supplies developing narrowed the cash price discount to the three months quotation from £40 to £10 by the close of dealings, and other nearby dates have moved to a premium over the forward months.

Once the market started to move up stop-loss buying against previous sales, especially from chartists, accelerated the upward trend.

The sudden surge in prices comes just as the International Tin Council meeting in London this week considers renewed demands from the producing countries for a substantial rise in the "floor" and "ceiling" price range established under the International Tin Agreement.

Last week the Straits tin price in Penang fell below the Agreement "ceiling" of $M1,500 a picul for the first time since January 1977. But after falling to a low point of $M1,476, the Malaysian market has now picked up to $M1,541 with a rise of $M28 over the week-end.

The recovery in the market came after a statement by tin-producing countries meeting in Jakarta last week demanded assurances from the U.S. on proposed stockpile releases and affirmed that they would press for a higher price range at the Tin Council.

Malaysian miners are believed to be holding back offerings with the intention of forcing prices up in advance of this week's Tin Council meeting, since it would be more difficult to justify an increase if prices were below the present "ceiling."

Producers argue that a higher present "floor" level of $M1,200 under the Agreement, is essential if investment in new production of tin is to be stimulated sufficiently to avoid future supply shortages. In January, a bid to raise the price to $M1,400 to $M1,600 was blocked by consumers, but producers vowed at the time that they would repeat the demand even more strongly at the April meeting.

It was hoped that by this time more definite news about the proposed U.S. stockpile sales of tin would be known. But for the moment differing proposals are still subject to behind-the-scenes negotiations in Congress. This has persuaded some traders that no stockpile sales will be made for some time to come.

However, consumers are expected to be reluctant to accede to the demand for a higher price range unless producers can prove conclusively that output costs have risen since the last increase in July last year.

The U.S. delegate should also be able to give an up-to-date assessment on stockpile sales.

London tea market easier

By Our Commodities Editor

TEA PRICES eased again at the London auctions yesterday as blenders continued to stay in the background. In quiet trading average quality tea prices fell to 135p a kilo against 140p last week; medium quality grades were 124p against 128p previously and plain teas also lost 4p, to 88p.

Demand was described as "fair but selective." U.K. blenders, who were absent as buyers from the market for a period of four weeks after the controversial Price Commission report recommended a cut in retail prices, are apparently still reasonably well stocked and concentrating their interest mainly on the cheaper price teas.

Lower U.S. wheat crop forecast

CHICAGO, April 10.

THE 1978 U.S. winter wheat crop is estimated at 1.38bn. bushels compared with 1.53bn. last year by crop forecaster Conrad Leslie. The lower total reflects a reduction in planted acreage to 47.7m. from 55.98m.

Record U.S. winter wheat production was in 1975 when the crop totalled 1.64bn. bushels.

This year's yield is estimated at 34 bushels an acre compared with last season's 31.5 bushels. The five-year average is also 31.5 bushels per acre. The record yield was 35.4 bushels per acre in 1971.

Several leading exporters believe negotiations are under way to sell wheat to China for shipment in the second half of this year, but they expressed serious doubt that any sizeable sales had been concluded.

The exporters and other market analysts generally agreed that China will need to buy more wheat—most likely between 1m. and 2m. tonnes—to fulfill its second half needs.

Rumours have circulated on the Chicago Board of Trade for the past week that China has bought wheat, with some trader estimates as high as 6m. to 8m. tonnes. Some brokers even see possible feedgrain and soyabean sales to China.

The speculation was encouraged by a report that Continental Grain Company senior vice-president, Mr. James Good is in China as part of a two-week trip.

India, meanwhile, has predicted a record 1978 wheat harvest of 31m. tonnes, according to Mr. Sam Tyler, chairman of Western Wheat Associates, from New Delhi.

The new estimate compares to 1977 harvest of 29m. tonnes.

Conrad Leslie also "guesstimated" that U.S. maize acreage for the coming season could be about 77.2m. acres and soyabean acreage about 64m. acres.

Last season's maize acreage was 82.7m. and the soyabean acreage was 59.1m. The Leslie maize figure compares with USDA January estimate of 80.8m. acres but the soyabean estimate is similar to that made by USDA in January.

Leslie warned that the figures should be considered as the result of an opinion poll rather than a statistical forecast.

The American Soyabean Association forecasts the 1978-79 U.S. Soyabean stock carryover between 99m. and 215m. bushels.

Total supply in the 1978-79 market year could reach 1,960m. bushels if the 1978 carryover is 200m. bushels.

U.S. soyabean demand in 1978 is 905m. bushels for domestic crushing, 640m. bushels for export and 80m. bushels for seed, feed and residual uses.

U.S. soyabean plantings this year should rise 7.3 per cent. above last year's 59.1m. acres, to 63.4m. acres, the Association said.

In Rio de Janeiro, the Brazilian Ministry of Agriculture's Commission for Financing Production (CFP) lowered its soyabean crop estimate to 9.3m.-9.7m. tonnes from 10.3m.-10.8m. estimated on March 10, CFP director, Paulo Vianna, announced.

This compares with the current estimate of 9.2m. tonnes on which CACEX (Bank of Brazil Foreign Trade Department) is basing its marketing policy.

BASE METALS

COPPER—Gained ground on the London Metal Exchange with the impetus coming from early trading when forward metal went from £722 to £725 after a firm Comex performance on Friday and a larger than expected stocks decline. But trade selling came into the market. Although Comex opened higher than expected a slightly ... trading range prevailed and the close on the Kerb was £721.5. Turnover ...

... larger than expected stocks decline. The round of international meetings helped the firmer trend. Forward metal started at £5,920 and moved up to £5,995 with a narrowing of the contango and the emergence of a backwardation on further months. Although the price slipped back on the morning Kerb, it advanced in the afternoon to £6,060. The market was moved by chartist, stop-loss buying and short-covering. The close on the Kerb was £6,050. Turnover 1,940 tonnes.

... £320, closing on the Kerb at £319.5. Turnover 4,150 tonnes.

Morning: Cash £318, 18.75, three months £320, 19, 20, 19.5, 19, 18.5, 18, 18.5, 19. Kerbs: three months £318.5, 18. Afternoon: three months £319, 19.5, 20. Kerbs, three months £320.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
Cash	315.5-4	+2.5	315-6	+6.25

... lower on the day, Drexel Burnham Lambert reported.

Prices (in order buyer, seller, change, business)—April 104.00-106.50, —0.38, 204.00-203.75; June 178.75-179.00, —1.87, 178.00-177.50; August 167.10-168.95, —0.35, —; Oct. 152.25-155.00, —1.37, —; Dec. 139.00-142.75, —1.62, —; Feb. 135.50-139.00, —0.25, —; April 128.00-134.00, —2.50, —. Sales: 11 (32) lots of 17,250 kilos.

RUBBER

... nil (78.04, nil, nil, nil). Grain sorghum—77.40, nil, nil (73.97, 0.64, 0.64, 0.64). Flour Levies—wheat or mixed wheat and rye flour: 131.31 (133.11). Rye Flour—134.03 (124.03).

MARK LANE—The market was firm although volume of activity relatively quiet. There were difficulties still in obtaining farm offers.

Milling wheat delivered London: April £97.50, May £100.00, June £101.50. Denaturable quality wheat delivered East Anglia: April £92.00, May £94.00, June ...

MEAT COMMISSION—Average fatstock prices at representative markets on April 8. GB cattle 67.68p per kg.l.w. (+0.12); U.K. sheep 139.8p per kg.est.d.c.w. (—0.5), GB pigs 61.9p per kg.l.w. (—0.1). England and Wales—Cattle numbers up 32.5 per cent., average price 67.51p (—0.46); Sheep up 23.0 per cent., average price 140.0p (—1.0); Pigs up 13.9 per cent., average price 61.8p (—0.1). Scotland—Cattle numbers up 6.9 per cent., average price 68.28p (+1.75); Sheep down 0.7 per cent., average price 137.8p (—0.4). Pigs ... average price 64.5p ...

SILVER

SOYABEAN MEAL

SUGAR

COCOA

COFFEE

GRAINS

WOOL FUTURES

VEGETABLE OILS

MEAT/VEGETABLES

EUROPEAN OPTIONS EXCHANGE

LEGAL NOTICES

RUBBER PACT MEETING

COLOMBO, April 10.

The executive committee of the Association of Natural Rubber Producing Countries (ANRPC) will meet in Kuala Lumpur between April 19 and 22 to agree its proposals for an international rubber agreement.

The association said a draft should be drawn up urgently. Members are India, Indonesia, Malaysia, Papua New Guinea, Singapore, Sri Lanka and Thailand.

Reuter

OLIVE OIL PACT EXTENDED

A 12-month extension of the current international agreement regulating trade in olive oil, which is due to expire at the end of the year, has been approved by a UN conference in Geneva.

The protocol legalising the extension will enter into force when it has been signed by at least six nations which together account for 60 per cent. of world oil production and three main consumer countries.

Reuter

PRICE CHANGES

Prices per tonne unless otherwise stated.

	April 10 1978	+ or —	Month ago
Metals			
Aluminium	£680	....	£680
Free market (cts)	$950-60	....	$950-60
Copper cash W. Bars	£709.25	+10.0	£659.25
3 months do. do.	£724.25	+10.5	£672.75
Cash Cathode	£699	+8.5	£649
3 months do. do.	£714.25	+9.25	£662.75
Gold......Troy oz.	$178.875	—0.5	$187.375
Lead Cash	£316.5	+6.25	£306
3 months	£320	+5.0	£310.25
Nickel	‡		‡
Free Market (cif)	$1.95 -2.05	....	$1.87 -2.04
Platinum troy oz.	£117.50	....	£114.5
Free Market	£116.25	—8.55	£120.95
Quicksilver (76lb.)	$130/35	....	$125-30
Silver troy oz.	280.10p	—0.05	281.3p
3 months	285p	+0.15	286.3p
Tin Cash	£6,055	+260.0	£6,002.5
3 months	£6,065	+220.0	£5,975.
Wolfram 22.04lb. cif	$144-49	....	$150-56
Zinc cash	£310	+6.25	£261.5
3 months	£315.75	+6.5	£262.75
Producers	$550	....	$550
Oils			
Coconut (Phil)	$600s	....	$660
Groundnut	$732	....	£621
Linseed Crude (v)	$323	+5.0	$310
Palm Malayan	$564x	—2.0	$690
Seeds			
Copra Philip	$390v	....	$440
Soyabean (U.S.)	$294z	+5.0	$266.15
Grains			
Barley EEC	‡		‡
Home Futures	£80.9	+0.25	£71.6
Maize			
French No. 3 Am	£105.75	+1.0	£100
Wheat			
No. 1 Red Spring	£95y	+0.5	£87.5
No2 Hard Winter	‡		‡
English Milling	£97.5	+0.25	£96.5
Cocoa Shipment	£1,990	—15.0	£2,020
Future July	£1,978.5	+2.0	£1,874.5
Coffee Future			
July	£1,554.5	+3.5	£1,460.5
Cotton 'A' Index	69.06c	+0.3	67.9c
Rubber kilo	47p	+0.75	49p
Sugar (Raw)	£100	....	£98
Wooltops 64s kilo	274p	....	272p

*Nominal. ‡ Unquoted. s May-June. u June. v April-June. y April-May. z May. x Per ton.

FINANCIAL TIMES

Apr. 10	Apr. 7	Month ago	Year ago
239.44	237.36	235.75	278.67

(Base: July 1, 1952=100)

REUTER'S

April 10	April 7	Month ago	Year ago
1456.2	1451.0	1385.8	1732.2

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	April 10	April 7	Month ago	Year ago
Spot	351.93	360.83	360.45	438.52
Futures	352.12	343.19	343.56	427.10

(Average 1924-25-26=100)

MOODY'S

Moody's	April 10	April 7	Month ago	Year ago
Spie Commdty	910.3	908.4	904.1	852.1

(December 31, 1931=100)

★

GRIMSBY FISH—Supply fair, demand good. Prices per stone (unprocessed) at ship's side: Shelf cod £3.50-£3.80, codlings £2.70-£3.30; large haddock £4.60-£4.80, medium £3.00-£3.50, small £2.20-£3.00. large plaice £3.70, medium £3.30-£3.70; best small £3.20-£3.90; large skinned dogfish £9.00, medium £7.00; rockfish £2.00-£2.40; reds £1.70-£2.40; saithe £1.80-£3.30.

★

LIVERPOOL COTTON—Spot and shipment sales amounted to 344 tonnes. Renewed interest in a wide variety of American-type styles was evident. Although buying was erratic some users wanted increased quantities of Latin American and Middle Eastern descriptions.

U.S. Markets

Cocoa and coffee up; copper dips

NEW YORK, April 10.

COCOA closed slightly higher on manufacturers' buying. Precious metals closed a little higher in very quiet, dull conditions. Copper ended the day slightly lower on speculative profit-taking. Sugar finished steady on local short-covering and light trade buying. Coffee closed higher in anticipation of tightening of exports by Central and South America, Bache reports.

Cocoa—May 156.70 (158.50), July 152.75 (151.95), Sept. 149.65, Dec. 144.25, March 140.20, May 137.50, July 135.10. Sales: 458.

Coffee—"C" Contract: May 173.75 (170.50), July 154.00-154.40 (150.64), Sept. 135.50-135.70, Dec. 122.50-123.00, March 115.00-118.00, May 110.00-114.00, July 114.00-118.00, Sept. 110.00-114.00. Sales: 485 lots.

Copper—April 61.50 (61.60), May 61.80 (62.00), June 62.40, July 63.90, Sept. 63.90, Dec. 65.40, Jan. 65.90, March 66.90, May 67.90, July 68.90, Sept. 69.90, Dec. 71.40, Jan. 71.90. Sales: 2,050 lots.

Cotton—No. 2: May 56.30 (56.52), July 57.60-57.67 (57.78), Oct. 59.49-59.57, Dec. 60.49-60.54, March 61.75-61.80, May 62.30-62.45, July 62.70-62.90. Sales: 125,000 bales.

*Gold—April 178.70 (177.70), May 179.50 (178.50), June 180.50, Aug. 183.00, Oct. 185.40, Dec. 187.90, Feb. 190.50, April 193.30, June 196.20, Aug. 199.10, Oct. 202.00, Dec. 205.00, Feb. 208.00. Sales: 5,200 lots.

†Lard—Chicago loose 24.00 (24.37). New York prime steam 25.88 asked (25.50 asked (25.88 asked).

‡Maize—May 266-265¾ (263¼), July 263¼-263 (259¾), Sept. 258¼-259¼, Dec. 259½-260, March 266½-266¾, May 269¼.

§Platinum—April 219.00 (217.30), July 222.30-223.00, Oct. 226.30-226.70, Jan. 230.60-230.80, April 234.90-235.10, July 238.90-239.10. Sales: 949 lots.

¶Silver—April 524.10 (521.00), May 536.40 (506.50), June 500.30, July 534.20, Sept. 540.10, Dec. 554.50, Jan. 558.70, March 567.20, May 575.80, July 584.60, Sept. 598.50, Dec. 606.40, Jan. 610.80. Sales: 5,300 lots.

Soyabeans—May 708-706 (700½), July 694-696 (680), Aug. 677-677½, Sept. 643-644, Nov. 622-623, Jan. 626-627, March 633, May 638¼.

Soyabean Meal — May 180.50-181.00 (179.30), July 183.00-183.30 (181.50), Aug. 181.50, Sept. 175.50-176.50, Oct. 169.60-170.00, Dec. 169.50-170, Jan. 171.00, March 174-175.00, May 176.00-177.00.

Soyabean Oil—May 26.00-25.90 (26.08), July 25.05-25.00 (25.33), Aug. 24.30-23.50, Sept. 23.30-23.35, Oct. 22.60, Dec. 22.25-22.15, Jan. 22.05, March 22.05-22.10, May 21.90-21.85.

Sugar—No. 11: May 7.89 (7.83-7.85), July 8.28-8.29 (8.12-8.13), Sept. 8.53-8.54, Oct. 8.65, Jan. 8.85-8.95, March 9.40-9.41, May 9.65-9.69, July 9.82-9.83, Sept. 10.05-10.15. Sales: 3,130.

Tin—520.00-531 asked (505.00-510.00 asked).

**Wheat—May 330-331½ (326½), July 322½-332 (326½), Sept. 336, Dec. 339-339½, March 345, May 345½.

WINNIPEG, April 10. ††Rye—May 118.00 bid (117.00 bid), July 113.70 (113.40-113.50), Oct. 102.60, Nov. 111.70 bid, Dec. 111.50 bid.

††Oats—May 81.50 bid (82.30), July 79.00 asked (79.50 bid), Oct. 77.80 asked, Dec. 78.00 asked.

‡‡Barley—May 81.00 (82.70), July 81.30 bid (82.40 asked), Oct. 80.00 bid, Dec. 80.00 asked.

§§Flaxseed—May 252.00 bid (254.00), July 252.00 asked (252.50 asked), Oct. 252.00 asked, Nov. 252.00 asked, Dec. 232.00 asked.

¶¶Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 168.62 (167.39).

All cents per pound ex-warehouse unless otherwise stated. *$s per troy ounces—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime Steam f.o.b. NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $s per troy ounce for 50 ounce units of 99.9 per cent. purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 34 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ¶¶ $C per tonne.

STOCK EXCHANGE REPORT

Downward drift in leaders awaiting to-day's Budget

Share index 3.8 lower at 463.3—Glaxo disappoint

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 13	Mar. 30	Mar. 31	Apr. 11
Apr. 3	Apr. 13	Apr. 14	Apr. 25
Apr. 17	Apr. 27	Apr. 28	May 10

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Quiet and subdued conditions persisted in stock markets yesterday. Potential investors showed a marked reluctance to take up positions in front of to-day's Budget. Underlying sentiment was also unsettled by the CBI's survey of industrial trends which showed no signs of any significant improvement in the depressed levels of output in British industry and modest losses predominated in the equity sector.

Selling of the leaders was modest, but the late tone was not helped by disappointing interim results from Glaxo, which closed 12 lower at 515p. In sympathy, Beecham ended 9 cheaper at 640p. Elsewhere in the leaders, the majority of falls were limited to a couple of pence and the FT 30-share index closed with a loss of 3.8 at 463.3. Continuing fears of a rise in short-term interest rates in the near future prompted fresh dullness in short-dated Gilts which recorded further losses of ¼, but the longs closed without alteration after showing losses ranging to ¼ earlier in the day. The Government securities index eased 0.04 more to 73.92.

Apart from occasional bright spots in response to week-end Press comment and the odd flurry on company news and bid speculation, there was little worthy of note in secondary issues. The low level of trade was reflected in official markings of only 4,662. Falls led rises by 5-4 in FT-quoted Industrials.

Gold shares were inclined easier in sympathy with a reaction in the price of bullion and the Gold Mines index gave up 2.3 to 150.7.

Gilts await Budget

Pre-Budget trading in British Funds was extremely small. Occasional selling from nervous holders caused values to ease in the early business but an equally light demand later restored quotations almost to Friday's list levels before a subsequent and final softening. Announcement of the March wholesale prices indices made no impression on the general disposition to await to-day's Budget proposals so the summing up of the market as "hardly tested" was adequate. Corporations shed some ground, often by ¼, but Amalgamated Industrials' 10.6 per cent. Preference, in recently-issued Fixed Interests, were supported and rose 3 to 94p. Brittains 9 per cent. Convertible Preference made a quiet debut at 101½p.

The dual influences of sterling's early firmness and arbitrage selling of investment currency lowered rates and the premium slipped to 102¾ per cent. in a relatively small trade before steadying to close a net ½ down at 102¾ per cent. Yesterday's SE conversion factor was 0.6839 (0.6819).

Insurances lower

The volume of business in Insurances was small and prices drifted lower. Commercial Union cheapened 3 to 147p and Sun Alliance receded 2 to 548p as did Guardian Royal Exchange to 222p; the preliminary results of the last named are due to-morrow. Eagle Star, which also report annual figures to-morrow, eased the turn to 149p. News of the major French acquisition failed to excite C. E. Heath which gave up 3 to 262p, while losses of 4 and 3 respectively were recorded in Legal and General, 150p, and Hambro Life, 297p.

Goode Durrant and Murray provided the biggest movement in Banks with a fall of 4 to 20p, after 18½p, in reaction to news of the £4.64m. loss and the reduced final dividend. Guinness Peat cheapened 3 to 217p but Kleinwort Benson, following the chairman's encouraging statement, edged forward 2 to 96p. Manson Finance gained 3 to 48p and Schroders moved up 10 to 370p in a thin market. The major clearing banks made good earlier small losses in late trading to close without aleration.

Drink shares eased again on Budget considerations. Distillers shed 2 to 175p, while Allied Breweries, 86p, and Whitbread A, 87p, shed a penny apiece.

In subdued trading, Contracting and Construction issues encountered small selling and closed marginally lower. R. Costain were notably vulnerable easing 6 to 252p. In contrast, SGB firmed 2 to 152p following Press comment, and Cement Roadstone added a penny to 128p for the same reason. Crossley closed 2 better at 64p following the expected pre-tax loss and the accompanying steady improvement in trading conditions was expected in the current year. Following increased annual profits Benford Concrete Machinery eased a penny to 55p, after 57p, and Hewden-Stuart rose a similar amount to 57p. A forecast of further profits progress failed to stimulate Mixconcrete which eased slightly to 60p, and Johnson-Richards Tiles drifted back to 113½p pending development in the Hepworth Ceramic bid situation.

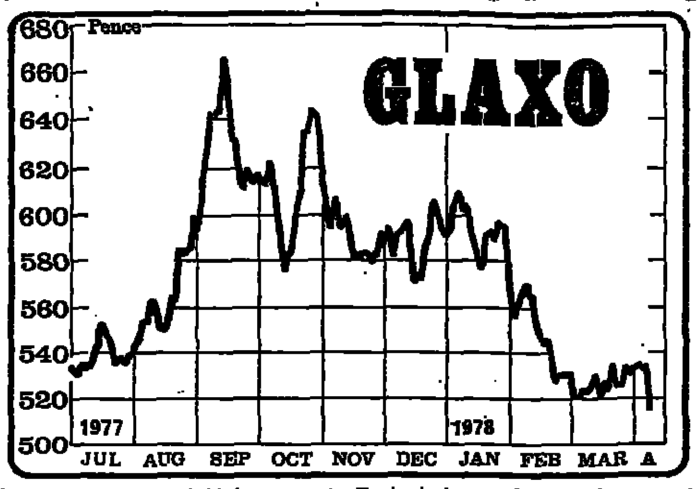
In a thin trade, ICI drifted down to close 5 off at 353p, while Fisons gave up 8 to 336p on sporadic selling. Plysu/Plegden and Noakes firmed 3 to 229p.

Ratners good

Ratners continued to push forward in Stores and gained 6 to 107p, still on bid hopes generated by last week's disclosure from H. Samuel that it has increased its stake in the company to over 19 per cent.; HS also closed 6 to the good, at 262p. Press-inspired improvements of 3 and 4 respectively were seen in Time Products, 128p, and Home Charm, 116p, while I. J. Dewhirst rose 5 to 65p in response to the higher annual earnings. The leaders traded quietly in front of to-day's Budget and closed easier in places. Mothercare shed 4 to 154p and W. H. Smith "A" softened 2 to 143p.

Few movements worthy of note emerged in the Electrical sector. Among the leaders, GEC drifted off to close 3 cheaper at 244p along with Plessey, which gave up 2 to 99p. Elsewhere, occasional support left Forward Technology 3 firmer at 104p, but falls of 2 were marked against Ever Read, 145p, and Cableform, 62p.

Engineerings were not altogether dull although the leaders



lost a penny or two. Tubes Investments slipped to a fresh low for the year of 360p before closing a net 2 off at 362p, while Hawker were similarly cheaper at 196p and John Brown the turn easier at 300p, after 297p. Conversley, several stocks attained 1978 peaks including James Neill, 3 up at 96p — the results are usually announced end-April or early-May — and Taylor Pallister, a penny higher at 85p ahead of tomorrow's preliminary figures. Clayton Son, full-year figures due on Thursday week, rose 3 to 66p, but Babcock and Wilcox, 115p, eased a shade awaiting Wednesday's annual statement. Press mention caused Weeks Associates to harden to 36p. F. S. Ratcliffe Industries were raised 5 to 70p and Ductile Steels improved 3 to 115p, while revived speculative inquiries took ML Holdings up 4 to 102p. T. W. Ward, 65p, Startrite, 71p, and Victor Products, 100p, all made highs for the year, but Braithwaite gave up 3 at 136p along with Wolseley-Hughes, at 187p. The effects of the much improved first-half profits were annulled by the second-half caution in Burgess Products, which shed a penny to 40p. Elsewhere demand in a restricted market lifted Hawthorn Leslie 6 to 70p.

Publicity given to the company's planned withdrawal from the bakery business and the sharp reduction in profits and dividend created a fair amount of interest in Spillers which touched a 1978 low of 26p before closing a penny easier on balance at 26¼p for a two-day loss of 6. Associated British Foods, 61p, and RHM, 52p, held Friday's gains which followed news of their proposed bakery purchases from Spillers. Rowntree Mackintosh rose 8 to 393p in anticipation of Thursday's preliminary figures, while renewed speculative interest left Avana 1½ harder at 33½p and Bishop's Stores 8 to the good at 140p. Louis C. Edwards, at 11p, gave up Friday's gain of a penny which followed the results, while Associated Biscuit eased 2 to 74p on disappointment with the preliminary figures. Following Friday's jump of 26 on the agreed bid Wheatsheaf Distribution eased back 4 to 190p in sympathy with a reaction of 7 to 130p in bidders Linfood. In Hotels and Caterers, Trust Houses Forte eased initially to 193p on criticism of its motorway catering before closing 3 easier on balance at 195p following the company's answering statement.

Standing around 7 easier immediately in front of the interim announcement, Glaxo lost further ground on it and closed 12 lower at 515p following disappointment with first-half profits nearly £3m. short of expectations; Beecham came back 9 to 640p in sympathy. Other miscellaneous Industrial leaders were not helped by a pessimistic CBI survey and generally closed with small falls. Boots gave up 3 at 214p, while Pilkington Bros. declined 5 to 478p. Reckitt and Colman, however, hardened 3 to 435p in response to Press comment. Lonrho's decision to relay its bid direct to the shareholders of Scottish and Universal Investments prompted demand for the latter which improved steadily to finish 6 better at 118p: with Lonrho closing a penny dearer at 70p, the bid for "SUITS" is currently worth just over 128p per share. In sympathy, House of Fraser improved 3 to 148p. Elsewhere, Letraset continued to be bought on bid hopes and rose 6 further to 151p, after 152p, while demand also of a speculative nature prompted improvements of 4 and 6 respectively in Johnson Cleaners, 88p, and Sale Tilney, 218p. S. Simpson "A" gained 6 to 88p in a thin market and Hays Wharf added 4 at 140p. Press-inspired improvements of around 2 to 3 occurred in Hoskins and Horton, 158p, M.Y. Dart, 70p and Lesney, 66p, while further consideration of the record profits helped Sharna Ware put on 3 more to 83p. Chamberlain Group hardened a penny to 48p in reply to the higher profits but Wilson Walton declined 4 to 66p, after 65p, following adverse comment on possible repercussions from the North Sea rig dispute. Dealings in Miln Marsters, 163p, were suspended at the company's request pending an announcement; news of the intended cash offer of 200p per share from Hilleshog AB came after market hours.

Apart from British Leyland, 2 harder at 24p reflecting the better-than-expected March sales performance, Motors and Distributors were generally easier where changed. Dowty, a firm market of late, fell 3 to 178p, while losses of a like nature occurred in Jonas Woodhead, 93p, and Zenith Carburetter A, 106p. Lyon and Lyon eased 2 to 78p in front of today's preliminary figures, but small buying in a thin market lifted Nelson David 1½ to 81p.

Modest irregular price movements were the order of the day in Newspapers and kindred trades. Thomson cheapened 3 to 223p and W. N. Sharpe relinquished 4 to 138p. McCorquodale put on 4 to 236p.

Fears of increased interest rates in the near future continued to unsettle Properties. In a continuation of Friday's thin trading, leading shares consequently closed lower. English Property eased a penny to 31p while the 1998-2003 Convertible fell 4½ points to £76½. MEPC, 114p, and Land Securities, 206p, gave up 2 and 3 respectively, while Stock Conversion, 228p, and Great Portland, 276p, lost 4 apiece. Losses of 3 were recorded in Bellway, 66p, and Berkeley Hambro, 90p, along with Scottish Metropolitan, 102p. Adverse Press comment lowered McInerney by a similar amount, to 40p, but Midhurst Whites, a good market of late, firmed a penny more to 43½p.

Oils quiet

Leading Oils remained steady, marking time in front of the Budget. A little two-way trade in British Petroleum left the price unaltered at 760p, while Shell were marginally better at 518p. Lasmo eased 6 to 142p reflecting possible repercussions in the Ninian Field rig dispute; the 'Ops' dipped 14 to 320p. Elsewhere, investment dollar premium influences had Royal Dutch slightly easier at £45⅞ and of the North Sea-orientated stocks, Sceptre Resources, 528p, and Siebens U.K., 254p, softened 4 apiece.

Overseas Traders had contrasting movements in Gill and Duffus, 4 off at 224p, and Harrisons and Crosfield, 25 higher at 412p.

Interest in Investment Trusts was at a low level and share prices closed little changed. Camellia Investments hardened 2 to 202p following a Press mention, while similar gains were recorded in GT Japan, 118p, and Yorkshire and Lancashire Investment, 28p. Armour Trust came to the fore in Financials, rising to a 1978 peak of 12p in response to Press comment before closing without alteration at 10¾p.

Shippings spent a quiet session with Furness Withy finishing 2 better at 222p. In a thin market, James Fisher rose 8 to 140p on small buying in front of Thursday's results.

Awaiting to-morrow's results, Carpets International hardened 2½ to 44½p. Other Textiles to attract attention included Blackwood Morton, 1½ better at 21½p, and Yorkshire Fine Woollen, 4 higher at 41p. A Martin finished a penny up at 86p following the results. Tobaccos were quietly dull.

Primrose, 4 cheaper at 90p, provided the only significant movement in South African Industrials.

Hongkong Rubber featured Plantations with a rise of 10 to 155p in response to Press comment. London Sumatra became erratic, falling to 120p on growing doubts about the outcome of the McLeod-Sipef bid before rallying to close without alteration at 128p.

Subdued Golds

South African Golds moved in a narrow range, with no fresh features to stimulate the market, reflecting the general tone of the mining sector where business was at a low ebb.

Prices were generally marked easier in the light of the lower bullion price which closed down 50 cents at $178.875 an ounce. The Gold Mines Index was down 2.3 at 150.7.

But falls were confined to a maximum of 25p among the heavyweights with Hartebeest at £11, Vaal Reefs at £13, FS Geduld at £16 and Western Holdings at £17¼ all down by that amount.

South African Financials showed a similar trend, helped by the easier investment dollar premium. The main feature was UC Investments which moved 7 lower to 220p on Cape selling.

Afrikander Lease, however, firmed 20 to 185p in a technical reaction to the sharp fall at the end of last week when the decision was taken not to develop immediately a uranium mine.

There was no response among Australian uraniums to the legislative package presented in Canberra to speed uranium mining. Pancontinental remained at 950p, while Peko-Wallsend fell 10 to 447p after being linked to a takeover bid for Sims the metal merchants.

Some speculative activity spurred Tasminex 15 higher to 70p among other Australians. A strike at its Pilbara mine helped Hamersley to lose 5 to 175p.

Taking a lead from the U.K. industrial market, RTZ, among London Financials, were 4 lower in front of to-day's figures. Selection Trust were 4 harder at 396p and Charter were up 1 at 130p, but Consolidated Gold Fields slipped 3 to 173p.

Irish Canadians had Tara lower at 825p, reflecting the [illegible] in Toronto, but Anglo United continued their recent rise with a gain of 3 to 89p.

Despite higher metal prices Tins were untested and movements among Coppers, Platinums and Rhodesians were minimal.

FINANCIAL TIMES STOCK INDICES

	Apr. 10	Apr. 7	Apr. 6	Apr. 5	Apr. 4	Apr. 3	A year ago
Government Secs.	73.92	73.96	74.33	74.06	73.84	73.86	69.[illegible]
Fixed Interest	77.35	77.41	77.38	77.51	77.82	77.16	70.[illegible]
Industrial Ordinary	463.3	467.1	471.4	470.3	467.8	462.5	40[illegible]
Gold Mines	150.7	153.0	153.7	151.8	156.1	157.4	11[illegible]
Ord. Div. Yield	5.82	5.77	5.75	5.78	5.79	5.84	[illegible]
Earnings Y'ld% (full)*	16.99	16.86	17.31	16.80	17.01	17.17	[illegible]
P/E Ratio (net) (*)	8.12	8.18	8.17	8.50	8.25	8.18	[illegible]
Dealings marked	4,662	4,971	5,984	4,844	5,414	4,838	[illegible]
Equity turnover £m.	—	65.02	78.13	65.16	75.39	60.58	[illegible]
Equity bargains total	—	11,322	16,894	16,924	22,623	19,112	[illegible]

10 a.m. 464.9. 11 a.m. 463.3. Noon 462.9. 1 p.m. 462.8. 2 p.m. 462.3. 3 p.m. 462.8.
Latest Index 01-246 8026.
*Based on 52 per cent. corporation tax. † Nil=8.07.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (3/1)	73.84 (4/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	77.14 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.3 (6/1)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	168.6 (8/3)	130.3 (6/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 10	Apr. 7
—Daily		
Gilt-Edged	182.6	160.[illegible]
Industries	160.0	169.[illegible]
Speculative	29.2	30.[illegible]
Totals	106.1	113.[illegible]
5-day Av'rage		
Gilt-Edged	173.3	169.[illegible]
Industrials	177.5	178.[illegible]
Speculative	39.2	41.[illegible]
Total	117.8	118.[illegible]

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (90)

AMERICANS (16)
Barnes Group · I. U. International · CBS · Norton Simon · Colgate Palmolive · Owens Illinois · Cutler-Hammer · Sears Roebuck · Eaton Corp. · Shell Oil · First Chicago · TRW · Ford Motor · United Technology · Hutton (E. F.) · Xerox Corp.

CANADIANS (6)
Bank Nova Scotia · Hollinger · Bow Valley · Hudson's Bay Oil Gas · Can. Imperial Bank · Rio Algom · Gulf Oil Canada · Seagram

BANKS (1)
Dawes (G. R.)

BUILDINGS (2)
Benford Concrete · Hewden-Stuart · [illegible]

CHEMICALS (1)
Akzo

STORES (6)
Allied Retailers · Bentalls · Dewhirst (I. J.) · [illegible]

ELECTRICALS (1)
Phillips' Lamp · [illegible]

ENGINEERING (10)
Garton Eng. · Ratcliffs (G.B.) · Lev's Foundries · Startrite · M. L. Holdings · Taylor Pallister · Neill (J.) · Victor Products · Osborn (S.) · Ward (T. W.)

FOODS (2)
Pork Farms · [illegible]

HOTELS (1)
Borel (J.)

INDUSTRIALS (17)
BTR · Crosby Spring · Diamond Stylus · Dobson Park · Dover Corp. · Drake and Scull · Emhart · Franklin Mint · Gibbons Dudley · [illegible]

MOTORS (2)
Volvo · [illegible]

PAPERS (1)
Saatchi and Saatchi

PROPERTY (1)
Midhurst Whites

SHIPPING (1)
Fisher (J.)

TEXTILES (3)
Foster (J.) · Yorkshire Fine Wool · Martin (A.)

TRUSTS (8)
Crescent Japan · Armour Trust · Edinburgh Am. Tst. · Common Market · Jersey External Pref. · Pretaball-Sicomi · Throgmorton 8½pc Ln · Suez France

OILS (1)
Ranger Oil

OVERSEAS TRADERS (2)
Harrisons & Crosfield · Inchcape

RUBBERS (1)
Castlefield

MINES (2)
M.I.M. · North Broken Hill

NEW LOWS (33)

BRITISH FUNDS · CORPORATION LOANS · CANADIANS · BANKS · BUILDINGS · CHEMICALS · ENGINEERING · FOODS · INDUSTRIALS · PROPERTY · TRUSTS · MINES (1) Rand London · [illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	4	14	[illegible]
Plantations	1	7	[illegible]
Mines	11	61	[illegible]
Recent Issues	2	4	[illegible]
Totals	335	546	1,3[illegible]

OPTIONS TRADED

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Apr. 11	Apr. 24	July 6	July 18
Apr. 25	May 9	July 20	Aug. 1
May 10	May 22	Aug. 3	Aug. 17

For rate indications see end of Share Information Service

Money was given for the call in KCA International, John Haggas, Selincourt, Letraset, Lonrho, Erskine House, Spillers, Trafalgar House, Yule Catto and Mills and Allen. Puts were taken out in Racal Electronics, Imps, New Throgmorton Capital, and NatWest Warrants, while doubles were arranged in Letraset, KCA International, Imps, Beecham, New Throgmorton Capital and William Press.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
Grand Met.	50p	9	105	+ ½	109	87
Spillers	25p	9	26¼	− 1	33	26
ICI	£1	8	353	− 5	365	328
Shell Transport	25p	8	518	+ 1	533	484
BATs Defd.	25p	7	258	− 2	269	227
Commercial Union	25p	7	147	− 3	156	138
GUS "A"	25p	7	286	− 2	312	256
RTZ	25p	7	192	− 4	202	164
GEC	25p	6	244	− 3	278	237
Glaxo	50p	6	515	−12	610	515
Imperial Group	25p	6	74	− 1	81	71½
Letraset	10p	6	151	+ 6	152	98
Lonrho	25p	6	70	+ 1	78	67
Unilever	25p	6	512	− 4	548	476
Burmah Oil	£1	5	45	—	57	44

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
105	F.P.	26/4	121	118	Saga Holidays	120		6.75	2.2	8.5	8.1

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. r Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of Ordinary shares as a "rights." ** Rights by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. |||| Introduction. ○ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

LEGAL NOTICES

No. 001027 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of UNISPAN TRADING COMPANY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 3rd day of April 1978, presented to the said Court by BANCO DE BILBAO [illegible]

M. L. SPECTOR,
29 Salisbury House,
London Wall,
London, EC2M 5QJ.
Solicitor for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. [illegible]

No. 00964 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SCHEINMAN FUR FASHIONS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 29th day of March 1978, presented to the said Court by ANTHONY ARNOLD trading as T. ARNOLD & SON [illegible]

SHERWOOD & CO.,
Queen Anne's Chambers,
41 Tothill Street,
Westminster,
London, SW1H 9LQ.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. [illegible]

No. 001019 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of P & I (LONDON) PRODUCTIONS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding-up of the above-named Company by the High Court of Justice was on the 3rd day of April 1978, presented to the said Court by the Commissioners of Customs and Excise [illegible]

G. F. GLOAK,
King's Beam House,
39-41 Mark Lane,
London, EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. [illegible]

FINANCIAL TIMES

BRACKEN HOUSE, 10, CANNON STREET, LONDON EC4P 4BY
Telex: Editorial 886341/2, 883897 Advertisements: 885033 Telegrams: Finantimo, London PS4
Telephone: 01-248 8000
For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026
INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES
[illegible]

ADVERTISEMENT OFFICES
[illegible]

SUBSCRIPTIONS
Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)

		Mon., April 10, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) Corp. Tax 52%	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net) Corp. Tax 52%	Fri. Apr. 7 Index No.	Thurs. Apr. 6 Index No.	Wed. Apr. 5 Index No.	Tues. Apr. 4 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (170)	202.88	−0.6	17.42	5.78	8.11	204.03	204.78	203.69	202.46	159.83
2	Building Materials (27)	183.50	−0.5	17.22	5.71	8.38	184.34	183.82	181.56	181.29	135.[illegible]
3	Contracting, Construction (26)	323.21	−0.5	17.82	4.05	8.35	324.68	324.80	324.77	321.71	232.1[illegible]
4	Electricals (15)	424.60	−1.0	16.26	4.21	8.81	428.90	435.73	436.45	431.52	315.1[illegible]
5	Engineering Contractors (14)	291.24	−0.5	17.21	6.94	7.97	292.57	292.85	289.72	287.87	214.4[illegible]
6	Mechanical Engineering (71)	161.76	−0.5	19.23	6.37	7.17	162.59	162.79	161.60	160.79	141.7[illegible]
8	Metals and Metal Forming (17)	164.41	−0.1	15.96	8.36	8.68	164.57	164.19	163.00	162.81	136.3[illegible]
	CONSUMER GOODS										
11	(DURABLE) (52)	187.96	−0.3	17.94	5.08	8.05	188.51	188.86	187.92	186.76	142.[illegible]
12	Lt. Electronics, Radio TV (15)	222.35	−0.2	15.53	3.84	9.25	222.88	224.07	222.56	221.83	161.42
13	Household Goods (12)	170.07	+0.1	16.80	7.21	8.28	169.90	169.45	168.78	169.02	147.30
14	Motors and Distributors (25)	117.86	−0.5	21.91	6.48	6.67	118.42	118.13	117.84	116.38	92.57
	CONSUMER GOODS										
21	(NON-DURABLE) (176)	195.89	−0.5	16.27	5.92	8.48	196.90	198.07	197.78	196.61	155.68
22	Breweries (14)	221.10	−0.5	14.76	6.01	10.26	222.17	225.54	225.14	224.56	170.65
23	Wines and Spirits (6)	247.96	−1.1	16.31	5.81	9.30	250.68	253.03	254.20	251.53	171.57
24	Entertainment, Catering (17)	250.35	−0.1	13.77	6.81	10.55	250.71	250.32	249.97	248.15	191.37
25	Food Manufacturing (22)	189.74	−0.7	21.10	5.66	6.59	190.99	189.75	188.87	188.22	165.60
26	Food Retailing (16)	192.76	−1.1	14.26	4.74	10.12	194.93	195.22	193.61	191.07	165.85
32	Newspapers, Publishing (13)	341.12	−0.8	11.57	3.75	12.83	344.00	345.75	342.69	340.31	239.15
33	Packaging and Paper (15)	128.20	+0.1	20.47	9.18	7.04	128.02	128.51	129.32	128.69	108.62
34	Stores (39)	183.26	−0.4	10.70	4.37	13.71	183.93	186.01	185.86	184.64	132.50
35	Textiles (25)	172.25	−0.8	21.49	7.83	5.76	173.60	172.96	173.10	172.72	151.19
36	Tobaccos (3)	230.87	−0.5	23.94	8.11	4.96	232.03	235.50	235.41	233.91	208.21
37	Toys and Games (6)	101.06	−0.7	19.99	5.87	6.69	101.73	101.23	101.09	100.95	82.73
41	OTHER GROUPS (97)	185.11	−0.9	17.47	6.01	7.54	186.76	187.08	187.10	186.28	160.92
42	Chemicals (19)	254.62	−1.2	19.68	6.81	6.95	257.61	258.78	260.88	259.86	221.90
43	Pharmaceutical Products (7)	243.67	−1.2	11.54	4.15	10.96	246.56	246.73	246.03	245.63	0.86
44	Office Equipment (6)	127.97	−1.0	18.96	4.87	6.19	129.32	130.26	130.09	128.92	91.84
45	Shipping (10)	420.76	—	23.40	7.20	5.06	420.57	422.84	422.99	422.86	443.97
46	Miscellaneous (55)	194.73	−0.6	17.40	6.37	7.84	195.81	195.38	194.00	192.71	162.75
49	INDUSTRIAL GROUP (495)	200.95	−0.6	16.96	5.85	8.11	202.17	202.99	202.53	201.40	162.74
51	Oils (5)	444.12	+0.1	16.97	4.46	6.69	443.77	443.03	442.94	442.53	448.81
59	500 SHARE INDEX	221.36	−0.5	16.96	5.65	7.87	222.48	223.20	222.77	221.67	185.81
61	FINANCIAL GROUP (100)	163.03	−0.6	—	5.64	—	164.07	164.77	163.79	164.38	127.74
62	Banks (6)	191.10	—	25.01	5.64	6.05	191.10	191.74	189.20	189.44	148.55
63	Discount Houses (10)	190.73	—	—	8.66	—	190.73	190.39	190.39	190.31	170.42
64	Hire Purchase (5)	146.72	−0.1	13.34	5.46	11.10	146.81	147.34	146.56	146.30	123.20
65	Insurance (Life) (10)	134.09	−1.7	—	6.73	—	136.39	138.35	137.87	138.64	102.41
66	Insurance (Composite) (7)	126.87	−1.0	—	6.68	—	128.18	129.09	128.07	129.53	101.65
67	Insurance Brokers (10)	332.28	−0.2	14.57	4.39	9.94	333.08	333.63	337.32	337.96	269.60
68	Merchant Banks (14)	76.87	+0.1	—	6.26	—	76.81	76.81	76.81	76.46	63.27
69	Property (31)	224.75	−1.0	2.97	3.08	64.83	227.09	227.79	226.95	226.81	166.15
70	Miscellaneous (7)	106.33	+0.1	24.57	7.47	5.63	106.24	104.50	104.33	104.09	84.30
71	Investment Trusts (50)	191.73	—	3.42	4.97	29.28	191.79	191.24	189.37	188.12	163.62
81	Mining Finance (4)	91.07	−1.2	17.12	6.43	6.80	92.15	92.15	91.79	92.49	95.94
91	Overseas Traders (19)	288.14	+0.9	16.53	6.81	7.53	285.61	286.35	282.58	281.37	256.61
99	ALL-SHARE INDEX (673)	205.19	−0.5	—	5.65	—	206.20	206.83	206.15	205.48	171.35

FIXED INTEREST PRICE INDICES

	British Government	Mon. Apr. 10	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	107.83	−0.04	0.03	2.80
2	5-15 years	119.91	—	—	2.07
3	Over 15 years	125.48	+0.06	0.99	4.22
4	Irredeemables	140.65	—	—	1.78
5	All stocks	117.10	+0.01	0.39	3.19

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Mon. Apr. 10	Fri. Apr. 7	Year ago (approx.)
1	Low Coupons	5 years	7.99	7.97	7.46
2		15 years	10.23	10.23	10.82
3		25 years	10.75	10.75	11.98
4	Medium Coupons	5 years	9.92	9.90	9.84
5		15 years	11.42	11.43	11.63
6		25 years	11.72	11.72	12.36
7	High Coupons	5 years	10.41	10.38	10.58
8		15 years	12.04	12.03	12.87
9		25 years	12.32	12.33	13.12
10	Irredeemables		10.56	10.56	12.14

		Monday, April 10 Index No.	Monday, April 10 Yield %	Friday April 7	Thurs. April 6	Wed. April 5	Tuesday April 4	Monday April 3	Friday March 31	Thurs. March 30	Year ago (approx.)
15	20-yr. Red. Deb. & Loans (15)	60.44	12.29	60.41	60.37	60.75	60.73	60.72	60.88	61.01	54.78
16	Investment Trust Prefs. (15)	56.16	13.63	56.57	56.37	56.11	56.07	55.59	55.79	49.61	
17	Coml. and Indl. Prefs. (20)	72.91	12.82	73.09	73.13	73.79	73.75	73.96	74.12	68.66	

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

INSURANCE, PROPERTY, BONDS

For New Court Property see under Rothschild Asset Management

BASE LENDING RATES

N. Bank	6½%	■ Hill Samuel §	6½%
...ed Irish Banks Ltd.	6½%	C. Hoare & Co. †	6½%
...rican Express Bk.	6½%	Julian S. Hodge	7½%
...o Bank	6½%	Hongkong & Shanghai	6½%
... Bank Ltd.	8½%	Industrial Bk. of Scot.	6½%
...ry Ansbacher	6½%	Keyser Ullmann	6½%
...o de Bilbao	6½%	Knowsley & Co. Ltd.	9 %
...k of Credit & Cmce.	6½%	Lloyds Bank	6½%
...k of Cyprus	8½%	London Mercantile	6½%
...k of N.S.W.	6½%	E. Manson & Co. Ltd.	8 %
...que Belge Ltd.	6½%	Midland Bank	6½%
...que du Rhone	7 %	■ Samuel Montagu	6½%
...lays Bank	6½%	■ Morgan Grenfell	6½%
...ett Christie Ltd.	8½%	National Westminster	6½%
...mar Holdings Ltd.	7½%	Norwich General Trust	6½%
... Bank of Mid. East	6½%	P. S. Refson & Co.	6½%
...wn Shipley	6½%	Rossminster Accept'cs	6½%
...ada Permanent AFI	6½%	Royal Bk. Canada Trust	6½%
...tol C & C Fin. Ltd.	8½%	Schlesinger Limited	6½%
...er Ltd.	7 %	E. S. Schwab	8½%
...r Holdings	8 %	Security Trust Co. Ltd.	7½%
...terhouse Japhet	6½%	Shenley Trust	9½%
...ulartons	6½%	Standard Chartered	6½%
...E. Coates	7½%	Trade Dev. Bank	6½%
...solidated Credits	6½%	Trustee Savings Bank	6½%
...perative Bank *	6½%	Twentieth Century Bk.	7½%
...nthian Securities	6½%	United Bank of Kuwait	6½%
...dit Lyonnais	6½%	Whiteaway Laidlaw	7 %
Cyprus Popular Bk.	6½%	Williams & Glyn's	6½%
...can Lawrie ¶	6½%	Yorkshire Bank	6½%
...l Trust	6½%		
...lish Transcont.	8 %		
...t London Secs.	6½%		
... Nat. Fin. Corpn.	8½%		
...t Nat. Secs. Ltd.	8 %		
...ony Gibbs	6½%		
...hound Guaranty	6½%		
...dlays Bank ‡	6½%		
...nness Mahon	6½%		
...bros Bank	6½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 3%. 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½% and over £25,000 4½%.
‡ Call deposits over £1,000 3%.
¶ Demand deposits 4%.
§ Rate also applies to Sterling Ind. Secs.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Jardine Fleming & Co. Ltd.

46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	$HK229.68	.....	3.10
Jardine J'pn. Fd.*	$HK317.52	.....	0.90
Jardine S.E.A.	$US12.92	.....	2.40
Jardine Flem Int †	$HK9.36	.....	—

NAV Mar. 31. *Equivalent $US68.38. Next sub. April 17

Kemp-Gee Management Jersey Ltd.

1, Charing Cross, St. Helier, Jersey. 0534 73741

Kemp-Gee Capital	82.3	84.9	.....	—
Kemp-Gee Income	65.3	67.4	.....	8.35

Warburg Invest. Mngt. Jrsy. Ltd.

1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. March 30	$US17.36	17.60	.....	—
CMT Ltd. March 30	£13.04	13.37	.....	—
MetalsTst. Mar 16	£11.48	11.76	.....	—
TMT Mar. 9	$US9.18	9.42	.....	—
TMT Ltd. Mar 9	£9.28	£9.52	.....	—

World Wide Growth Management✿

10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$US13.16	+0.10	—

NOTES

Prices do not include $ premium, except where indicated ✣, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ✤ Net of tax on realised capital gains unless indicated by ✣. ¶ Guernsey gross. ⊕ Suspended. ✦ Yield before Jersey tax. † Ex-subdivision.

INSURANCE BASE RATES

† Property Growth 8%
† Vanbrugh Guaranteed 7.50%
† Address shown under Insurance and Property Bond Table.

CORAL INDEX: Close 459-464

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1978 High	Low	Stock	£	+ or –	Yield Int.	Red.
102¾	101⅛	Treasury 10½pc '78‡‡	101⅛	–⅛	10.39	6.31
99⅝	99⅛	Exch. 5pc '76-78‡‡	99¼	......	5.03	6.48
105⅛	103⅛	Treasury 11½pc '79‡‡	103⅛	–⅛	11.12	7.49
97	94¾	Treasury 3pc '79‡‡	96⅛	......	3.12	5.84
97⅞	95⅞	Electric 4¼pc '74-79	96⅞	......	4.39	6.51
104⅝	102⅞	Treasury 10½pc '79‡‡	102½xd	–⅛	10.24	8.74
96½	94¾	Electric 3½pc '76-79	96xd	+¼	3.65	6.17
103⅛	100¼	Treasury 9pc 1980‡‡	100½	–⅛	8.95	8.69
102⅝	100½	Treasury 9½pc '80‡‡	100⅝xd	–⅛	9.42	9.09
95⅛	93	Treasury 3½pc '77-80	93½	–⅛	3.74	6.75
96½	94	Funding 5¼pc '78-80‡‡	95⅝	–⅛	5.49	7.45
110¼	107¼	Exchequer 13pc 1980‡‡	107¼	–⅛	12.12	9.78
106¼	103⅝	Treasury 11½pc 1981‡‡	104⅛	–⅛	11.02	9.66
91⅝	90	Treasury 3½pc 1979-81	90	–⅛	3.89	7.45
101¾	99¼	Treasury 9¾pc 1981‡‡	100⅛	......	9.67	9.43
97⅜	95¼	Exch. 8¼pc 1981	96⅝	–⅛	8.52	9.42
100¾	98⅛	Exch. 9½pc 1981	99⅝	......	9.52	9.56
87⅞	87½	Exch. 3pc 1981	87⅝	......	3.42	7.21
96⅞	96⅛	Treas. Variable '81‡‡	96½xd	+⅛	6.21	7.62
111	107⅜	Exch. 12¾pc 1981‡‡	107⅞	–⅛	11.83	10.10
99⅜	95⅝	Treas. 8½pc '80-82‡‡	96¼	–⅛	8.78	9.53
86⅝	84	Treasury 3pc '82‡‡	85½	–⅛	3.51	7.39
115⅞	111¼	Treasury 14pc '82‡‡	112⅝	–⅛	12.43	10.02
96	95⅝	Treas. Variable '83‡‡	95⅞	–⅛	6.79	7.72
96⅜	93⅛	Treasury 8¼pc '82	95⅛	–⅛	8.67	9.67
100¼	96½	Exch. 9¼pc 1982	97⅞	–⅛	9.46	9.85
96⅞	95⅝	Exch. 8¾pc 1983●	95⅝	–⅛	9.14	9.90
85¼	81	Exch. 3pc '83	82⅜	......	3.64	7.39
114¼	105⅜	Treasury 12pc 1983‡‡	107¾	–⅛	11.14	9.96

Five to Fifteen Years

1978 High	Low	Stock	£	+ or –	Yield Int.	Red.
100⅛	95¾	Treasury 9¼pc '83	98¾	......	9.57	10.08
89⅝	85½	Funding 5½pc '82-84‡‡	86¼	......	6.44	8.76
96⅞	93	Treasury 8½pc '84-86‡‡	94¼	......	9.23	9.92
87⅝	81½	Funding 6½pc '85-87‡‡	81½xd	......	7.94	9.54
89⅝	85	Treasury 7¾pc '85-88‡‡	86	......	9.18	10.31
68⅜	63⅝	Transport 3pc '78-88	64⅝	......	4.70	8.33
75⅝	68¼	Treasury 5pc '86-89	68½xd	......	7.29	9.56
115¼	108⅞	Treasury 13pc 1990‡‡	110¼	......	12.07	11.76
89⅛	84⅛	Treasury 8¼pc '87-90‡‡	85¼	......	9.99	10.85
106½	100⅛	Treasury 11¾pc 1991	102	......	11.86	11.88
75⅛	67¾	Funding 5¾pc '87-91‡‡	68	......	8.47	10.28
112⅛	106	Treasury 12¾pc '92‡‡	107⅝	......	12.16	12.01
96⅜	88¼	Treasury 10pc 1992	89⅞	......	11.29	11.68
113	101⅞	Exch. 12¼pc '92	103	......	12.07	12.03

Over Fifteen Years

1978 High	Low	Stock	£	+ or –	Yield Int.	Red.
110⅝	104⅜	Treasury 12½pc '93‡‡	106	......	12.13	12.06
72⅜	64½	Funding 6pc 1993‡‡	65⅜	......	9.24	10.68
120¼	114	Treasury 13¾pc 1993‡‡	116	......	12.41	12.18
128⅞	115¾	Treasury 14½pc '94‡‡	117½	......	12.51	12.20
114⅛	102¾	Exch. 12½pc 1994	104⅜	......	12.17	12.11
89⅞	81½	Treasury 9pc '94‡‡	81½xd	......	10.92	11.39
106¼	100⅝	Treasury 12pc '95	102⅜	......	12.01	12.01
51⅞	46⅞	Gas 3pc '90-95	46⅞xd	......	6.38	9.22
95	88⅝	Exch. 10¼pc 1995●	90	......	11.60	11.84
200	103⅞	Treasury 12¾pc '95‡‡	103⅞xd	......	12.14	12.85
90½	81⅛	Treasury 9pc '92-96‡‡	81¼	......	11.10	11.51
131½	119½	Treasury 15¼pc '96‡‡	120⅛xd	......	12.60	12.33
117⅝	107⅛	Exchequer 13¼pc '96‡‡	107⅛xd	......	12.23	12.11
60	46	Redemption 3pc 1986-96	46	......	6.53	9.10

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

AMERICANS—Continued

[illegible]

S.E. List Premium 46¾% (based on $US1.8763 per £)

Conversion factor 0.6839 (0.6819)

CANADIANS

[illegible]

S.E. List Premium 46¾% (based on $2.1450 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Cont.

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INV. TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
210	155	Falcon Rh.50c	185xd	......	Q50c	1.3	23.1
24	17	Rhod'n Corp. 16½p.	19	......	0.57	4.3	4.5
73	52	Roan Cons. K4	70	......	—	—	—
137	122	Tanganyika 50p	128	......	Q11.0	1.1	8.6
80	78	Do. Pref. 80p	80	......	Q9%	16.4	9.0
41	32	Wankie Col. Rh 1	39	......	†Q7½c	1.4	17.3
12½	10	Zam.Cpr.SBD0.24	11½	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
12	10	Acmex 25c	10	......	—	—	—
103	64	Bougainville 50 Toea	100	−2	Q8c	1.4	5.0
77	63	BH South 50c	76	+2	—	—	—
192	148	Conzinc Riotinto 50c	184	−2	Q10c	2.2	3.4
72	52	G.M. Kalgoorlie $1	58	......	—	—	—
95	81	Hamptn Areas 5p	95	......	1.45	4.1	2.3
17	10	Metals Ex. 50c	13	......	—	—	—
171	125	M.I.M. Hldgs. 50c	171	+3	Q9c	1.7	3.2
23	10	Mount Lyell 25c	22	......	—	—	—
2½	1½	Newmetal 10c	1½	......	—	—	—
102	79	North B. Hill 50c	102	+1	Q8c	1.5	4.9
11½	8½	Nth. Kalgurli	11	+½	—	—	—
155	117	Oakbridge $A1	151	−4	†Q11c	1.9	4.6
37	30	Pacific Copper	34	......	—	—	—
£10	750	Pancont'l 25c	950	......	—	—	—
18½	12	Paringa M&Ex.5p	15½	......	—	—	—
457	310	Peko-Wallsend 50c	447	−10	Q15c	4.0	2.1
111	84	Westn. Mining 50c	108xd	+1	Q6c	1.4	3.4
50	35	Whim Creek 20c	45	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
30	24	Amal. Nigeria	25	......	†2.51	1.6	15.2
285	240	Ayer Hitam SM1	285	......	†Q51½c	0.9	‡
55	45	Beralt Tin	53	......	3.75	2.3	10.7
235	200	Berjuntai SM1	235	......	†Q110c	ϕ	‡
126	111	Geevor	115	......	18.05	3.4	23.8
10	8½	Gold & Base 12½p	8½	......	—	—	—
270	225	Gopeng Cons.	225	......	15.0	0.9	10.1
150	130	Hongkong	147	......	—	—	—
93	83	Idris 10p	83	......	7.5	ϕ	13.7
11	10	Jantar 12½p	11	......	—	—	—
73	68	Kamunting SM0.50	69	......	ZQ15.5c	0.7	4.8
450	450	Killinghall	450	......	Q125	ϕ	27.8
320	280	Malay Dredging SM1	280	−5	†Q95c	0.8	7.3
50	40	ΔPahang	49	......	†Q2.5	0.5	5.1
58	50	Pengkalen 10p	50	......	6.5	1.3	19.7
190	165	Petaling SM1	172	......	mQ13c	10.9	1.6
61	49	Saint Piran	50	−1	g1.99	4.6	6.0
61	47	South Crofty 10p	50	−1	b4.13	1.5	12.5
180	140	South Kinta SM0.50	145	......	†Q77.8c	1.4	11.5
280	235	Sthn Malayan SM1	235xd	−5	†Q131.3c	1.1	12.0
170	134	Sungei Besi SM1	168	−2	—	—	—
68	55	Supreme Corp. SM1	68	......	ZQ10c	—	3.2
100	90	Tanjong 15p	90	......	4.5	ϕ	7.6
90	74	Tongkah Hrbr. SM1	85	......	Q56½%	1.6	14.4
180	148	Tronoh SM1	173	−2	ZQ88c	ϕ	10.9

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
96	70	Messina R0.50	86	......	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
9	9	Burma Mines 17½p.	9	......	—	—	—
300	220	Cons. Murch. 10c	250	......	Q30c	2.6	7.2
325	245	Northgate C$1	297	......	—	—	—
202	164	R.T.Z.	192	−4	18.5	q3.1	6.7
46½	31	Sabina Inds. C$1	31	......	—	—	—
950	750	Tara Exptn. $1	825	−25	—	—	—
45	43	Tehidy Minerals 10p	43	......	1.21	2.5	4.3
152	120	Yukon Cons. C$1	152	......	Q7c	ϕ	2.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- ‑ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ⚘ Regional price.
- ¤ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; ¢ ex capital distribution.

"Recent Issues" and "Rights" Page 32

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or —
Albany Inv 20p	23	......
Ash Spinning	45	......
Bertam	26	......
Bdg'wtr. Est. 50p	282	......
Clover Croft	22	......
Craig & Rose £1	410	......
Dyson (R. A.) A.	41	......
Ellis & McHdy	62	......
Evans F'r'k.10p.	57	......
Evered	15½	......
Fife Forge	47	......
Finlay Pkg. 5p	20xd	......
Graig Ship. £1	180	......
Higsons Brew	80	......
I.O.M. Stm. £1	147	......
Holt (Jos.) 25p	255	......
N'thn. Goldsmith	54	......
Pearce (C. H.)	129	......
Peel Mills	18½	......
Sheffield Brick	45	......
Sheff. Refrshmt.	51	......
Sindall (Wm.)	83	......

IRISH

Stock	Price	+ or —
Conv. 9% '80/82.	£95½	......
Alliance Gas	75	......
Arnott	298	......
Carroll (P.J.)	92	......
Clondalkin	99xd	+2
Concrete Prods.	128	......
Heiton (Hldgs.)	43	......
Ins. Corp.	200	......
Irish Ropes	132	......
Jacob	65	......
Sunbeam	29xd	......
T.M.G.	190	......
Unidare	82	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	23	Tube Invest.	38
A.P. Cement	18	"Imps"	7	Unilever	40
B.S.R.	9	I.C.L.	20	Utd. Drapery	7½
Babcock	10	Inveresk	7	Vickers	15
Barclays Bank	25	KCA	5	Woolworths	6
Beecham	38	Ladbroke	17	**Property**	
Boots Drug	15	Legal & Gen.	14	Brit. Land	3½
Bowaters	16	Lex Service	7	Cap. Counties	5
B.A.T.	24	Lloyds Bank	22	E.P.	5
British Oxygen	6	"Lots"	5	Intereuropean	4
Brown (J.)	20	London Brick	5	Land Secs.	18
Burton 'A'	13	Lonrho	7	MEPC	12½
Cadbury's	5	Lucas Inds.	25	Peachey	10
Courtaulds	10	Lyons (J.)	13	Samuel Props.	10
Debenhams	10	"Mams"	7	Town & City	2
Distillers	13	Mrks. & Spncr	11	**Oils**	
Dunlop	8½	Midland Bank	25	Brit. Petroleum	35
Eagle Star	11	N.E.I.	20	Burmah Oil	7
E.M.I.	18	Nat West Bank	22	Charterhall	3½
Gen. Accident	17	Do. Warrants	10	Shell	28
Gen. Electric	18	P & O Dfd.	10	Ultramar	22
Glaxo	40	Plessey	4	**Mines**	
Grand Met.	9	R.H.M.	5	Charter Cons.	12
G.U.S. 'A'	18	Rank Org. 'A'	18	Cons. Gold	20
Guardian	18	Reed Intl.	14	Rio T. Zinc	16
G.K.N.	22	Spillers	4		
Hawker Sidd.	20	Tesco	4		
House of Fraser	12	Thorn	22		
		Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Tuesday April 11 1978

N. Sea crude oil export policies changed

By Ray Dafter, Energy Correspondent

THE GOVERNMENT is amending its oil refinery policies to take advantage of North Sea crude's premium value.

The Department of Energy has started to negotiate refining agreements with individual companies after concerted pressure from the oil industry. It is estimated that the flexible policy which is emerging could increase U.K. crude oil exports by more than £100m. a year.

Details of the deal are only now becoming known. It concerns the proportion of North Sea crude oil handled by U.K. refineries. In the past year 58 per cent. of U.K. oil has been refined in British plants.

Mr. Anthony Wedgwood Benn, Energy Secretary, has said the Government is seeking to refine two-thirds in the U.K. He has been supported in this aim by oil industry trade unions, which are anxious to see secondary industries developed on the strength of North Sea oil production.

But oil companies have argued that an inflexible two-thirds rule could result in an economic penalty for Britain.

They have stressed that U.K. refineries do not need such a high proportion of North Sea oil to produce the range of products which is in demand, and that British oil, which is fairly light and low in sulphur, could lose its premium rating if it were merely substituted for heavy, low-quality Middle East crude.

Premium

A recent report by Petroleum Intelligence Weekly showed that North Sea oil producers could lose about £25m. on the value of their crude this year as a result of a rigid "refine-at-home" policy.

Stockbrokers Wood Mackenzie estimated that as North Sea production builds up, the loss could be more than £100m. next year and about £163m. in 1980.

The British National Oil Corporation, which is developing as a substantial oil trader, has seen in some of its early deals with U.K. refiners how the premium for North Sea crude is weakening. Consequently it has been supporting the private oil companies in their call for a more flexible refinery policy. This has been a crucial factor in the Government's considerations.

The question of where and how oil will be landed and refined will be handled largely on an individual basis. This will be done through the State participation agreements concluded with most of the North Sea oil producers.

It is understood that negotiations have started with at least two of the major oil producers which have refinery interests in the U.K. and overseas.

In the meantime the Government is still considering its position regarding EEC refinery policies. The European Commission is seeking a co-ordinated reduction of Community refinery capacity and a strict limit on new developments.

Mr. Benn has opposed the move, saying that it fails to recognise Britain's special position as a substantial crude oil producer. The plans have met with a mixed response from oil companies.

Trade unions in the U.K. continue to oppose the proposals. Yesterday the newly-formed Chemical Unions' Council met for the first time to discuss the issue.

The council is composed of national officers of six major unions: the Transport and General Workers; the General and Municipal Workers; the Association of Scientific, Technical and Managerial Staffs; the Electrical and Plumbing Trades; the Amalgamated Union of Engineering Workers; and the Shop, Distributive and Allied Workers.

Japan may curb car exports to U.S.

BY TERRY DODSWORTH AND STEWART FLEMING

JAPANESE car manufacturers are considering voluntary restraints on their exports to the U.S., by far their biggest overseas market, after indications that their Government wants to see sales staying at about the same level as last year.

Toyota, the largest Japanese car exporter to the U.S. with 493,000 sales last year, said yesterday that it is considering slowing its shipments in April and May to last year's level of about 50,000 units a month, compared with an average of 56,000 in the first quarter of this year.

Other Japanese exporters are expected to follow suit, it said.

The decision reflects partly commercial pressures such as the stagnation of the U.S. market this year and the increase in Japanese car prices after the hardening in the value of the yen against the dollar.

The Japanese Ministry of International Trade and Industry has made it known to the industry that it does not want to see Japanese sales in the U.S. surge like last year when Toyota and Datsun registrations rose by well over 40 per cent.

The Ministry's instructions to the industry on U.S. sales appears to have fallen short of the system of "strong administrative guidance" adopted recently with regard to the U.K. with a similar objective of pegging shipments to the previous year's level.

Nevertheless, a more detailed method of scrutinising exports has been adopted by the Ministry with an implied threat of intervention if shipments show signs of growing too rapidly.

According to Toyota, this means that the company probably will slow down its shipments, although American dealers have been urging it to lift its exports to beat the threat of a west coast dock strike.

If the Japanese do moderate their shipments to the U.S. in line with Toyota's predictions, it will indicate a significant concession to the western motor industry's view that Japan has been over-aggressive in world markets.

In the U.K., the first full month of operating the new system of administrative guidance has resulted in a drop in the Japanese market share to about 10 per cent., compared with 13 per cent. in the first two months.

Some competitors claim that this fall is partly attributable to the fact that Leyland and Chrysler have been able to make a comeback with strong, promotional campaigns backed by good stocks.

● Officials representing leading participants in the Tokyo round met in Geneva yesterday to provide further impetus to the multi-lateral trade negotiations which have reached a critical phase.

The meetings were described by Mr. Robert Strauss, U.S. special trade representative, as "a hard series of work sessions to keep the momentum going and to eliminate any political hesitation for our negotiationg teams to continue full steam ahead."

Trade talks, Page 6

Transport workers pledge to fight any Phase Four

BY RAY PERMAN AND CHRISTIAN TYLER

TRADE UNIONS are being asked not only to dissociate themselves from any further pay policy but actively to fight the Government if it introduces a Phase Four.

The campaign is being mounted by the biggest union, the Transport and General Workers, in spite of the promise of tax cuts in to-day's Budget and the possibility of a General Election this year.

The union's campaign will be launched next week at the conference in Aberdeen of the Scottish TUC, which marks the start of the union conference season and gives the first indication of union attitudes.

Many of the resolutions tabled for debate include the ritual denunciation of formal pay policy. The Transport Workers' motion also attacks "the denial of free collective bargaining implicit in the enforcement of any norm by the Government in the public or private sector."

The union's executive has meanwhile written to Mr. Len Murray, TUC general secretary, demanding that the TUC's position be made quite clear. It should make "a firm declaration that any further phase of pay policy will be opposed by the trade unions."

The letter signed by Mr. Jack Jones, former general secretary goes on to say that the Government's chances in the coming General Election will be helped if it listens to the union's warning.

Ministers have hinted that they would like to see a continuation of the "voluntary" incomes policy, and the Chancellor will to-day be hoping for some trade-off between his tax cuts and next autumn's wage demands.

The Transport Workers defiance will be challenged by some other unions. Last night, Mr. Sid Weighell, general secretary of the National Union of Railwaymen, said that a generous Budget should be the signal for another phase in the social contract, including an agreement on incomes. But he stressed that the agreement on incomes should be about the "sharing of wealth" and not a repeat of the wage restraint of the past in response to a crisis.

Speaking to a Conservative Party meeting in Battersea, London, Mr. Weighell criticised those politicians of both Left and Right, and some trade union leaders, who believed that market forces should determine pay settlements.

The Transport Workers' Union is likely to win the support of the train drivers of ASLEF, civil servants and firemen (who went on strike against the present policy). Others, like the Union of Post Office Workers, do not rule out a "flexible voluntary incomes policy" for the next round.

Unemployment is likely to be another major topic this year, with calls for a 35-hour week and further job creation measures from the Government.

Bonn summit on economic growth fixed for July

BY JONATHAN CARR

BONN, April 10.

LEADERS of seven major non-Communist industrialised nations will meet in Bonn on July 16 and 17 to seek ways of promoting economic growth through co-ordinated action.

The exact date and manifold topics for discussion were officially disclosed in an announcement issued here to-day.

The gathering will bring together leaders of the U.S., Canada, Japan, West Germany, Britain, France and Italy, at the invitation of Chancellor Helmut Schmidt.

It has also been agreed that the chairman of the European Community Council of Ministers and Mr. Roy Jenkins, the president of the Brussels Commission, will take part in those sessions devoted to problems of Community interest. The possibility of such participation has brought objections in the past, notably from France.

The meeting will be the fourth of its kind, following gatherings in Rambouillet, Puerto Rico and London last year. It will come less than a fortnight after a meeting of the European Council—leaders of the European Community countries—in Bremen, at which preparations for the Bonn talks will be a key issue.

The announcement noted that the world faced serious economic problems which should not be treated in isolation. These were the achievement of faster, world-wide economic growth, with further progress to reduce inflation. Energy, Trade, international monetary questions and co-operation between the developed and developing world would feature in the talks.

Richard Evans, Lobby Editor, writes: The British Government's view is that introduction of any part of the co-ordinated economic package need not wait until the July summit.

Any reflationary measures contained in to-day's Budget will be regarded by Ministers as part of the Government's efforts to aid the recovery of world trade.

In the Commons, MPs were clearly sceptical at the growth rate of 4.5 per cent. proposed at the European Community meeting for the middle of next year, compared with the 1.9 per cent. achieved last year.

In his report on the Copenhagen summit, Mr. Callaghan emphasised the development of a common Community strategy, but was notably cool on the initiative from Mr. Roy Jenkins for greater use to be made of the EEC unit of account in settlements between member central banks, and an extension of Common Market facilities to allow stabilisation of currencies.

Mr. Callaghan reminded MPs that Britain was now the second largest net contributor to EEC funds after West Germany and this was not a satisfactory position. In particular, the Common Agricultural Policy was neither in the interests of Britain nor of the Community as a whole and should be reformed.

Parliament, Page 12

Dutch to invest £25m. on Mersey

By Kevin Done, Chemicals Correspondent

A LEADING West European chemicals group is to invest £25m. in new fertiliser plant, at Ince, on Merseyside.

The expansion will create 300 jobs during the peak construction period, and 100 permanent jobs, when the plant opens at the beginning of 1981.

The development, by UKF Fertilisers, a subsidiary of DSM, the Dutch state chemicals group, brings some small relief to the Merseyside region, which has suffered a series of big closures this year and the loss of 7,000 jobs from companies such as British Leyland, GEC and Lucas.

UKF first announced plans to expand its nitrogen fertiliser capacity in 1975, but the move was postponed because of uncertainty over natural gas feedstock prices. Natural gas is used to make ammonia, the main raw material for nitrogen fertilisers.

Long-term

For many months UKF had to live with the uncertainty of an interim price for its feedstock supply from British Gas, while the Corporation carried out a series of tortuous negotiations with ICI, the main U.K. manufacturer of ammonia.

ICI agreed a long-term supply contract with British Gas in 1969—due to expire in 1984—which contained only minimal price escalation clauses.

After the Arab oil embargo and the fourfold increase in oil prices, the contract gave ICI unrivalled access to cheap supplies of gas and ammonia, and allowed it to gain a strong grip on the nitrogen fertiliser market, of which it controls about 50 per cent.

Fertiliser manufacturers, which were buying ammonia at world market prices, or who, like UKF, had only uncertain gas supplies, found it almost impossible to compete with ICI. Now both ICI and UKF have negotiated new prices for their existing gas supplies and UKF has revived expansion plans.

Contractors

It is building a 200,000 tonnes-a-year nitric acid plant, bringing total capacity up to some 470,000 tonnes a year, along with a 250,000 tonnes-a-year ammonium nitrate plant, which will boost ammonium nitrate capacity at Ince to 570,000 tonnes-a-year.

Work on the new unit should begin in the autumn and the main contractors will be appointed soon. Also included in the project is a fertiliser packing plant and new effluent units for treating discharge into the Manchester Ship Canal.

Mr. Anthony van Kleef, UKF managing director in the U.K., said yesterday that the time was right to build up production capacity to meet growing demand. Nitrogen fertilisers are the main growth sector of the industry in the U.K., because of their increasing intensive use on grasslands.

Mersey dock near surplus

PRODUCTIVITY is improving at the specialised container terminal in the £50m. Royal Seaforth Dock, at Crosby, on the Mersey, due to faster movement between storage areas and the quays.

A £1m. trading loss in 1976 at Royal Seaforth was reduced to £100,000 last year and the Mersey Docks and Harbour Company aims for a 1978 surplus.

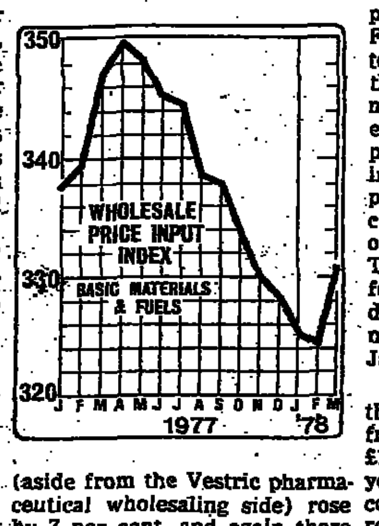
THE LEX COLUMN

Glaxo looks for growth formula

The financial markets may be forgiven a sense of deja vu as Mr. Denis Healey stands up this afternoon to deliver his 13th economic package in just over four years. In the early days, share prices tended to be wobbling before, during and after his speeches. Even now, the instant reaction in the City as often as not is a swift thumbs down. But the atmosphere is much more relaxed than it used to be.

As an illustration, the FT Industrial Index has been steady to firm in the month leading up to all of the past half dozen packages. The same has been true in the past four weeks. If the market is going to follow the pattern set in response to Mr. Healey's major budget statements (as opposed to his "minis," autumn specials, and the rest), then the Index could go up to-day, down over the next week — and in a month's time, it will all have been forgotten. Unless, of course, the Chancellor has something special in mind for his 13th . . .

Index fell 3.8 to 463.3



Glaxo

Glaxo was expected to suffer from the rise in sterling during the final months of 1977 but in the event a nominal advance in pre-tax profits to £40.3m. was disappointing and the shares slipped 12p to a new 1978 low of 515p, where they continue to be held back by a yield of only 3 per cent.

The rising pound depressed overseas subsidiaries' profits by £3.5m. and probably knocked £2m., or so, off U.K. export profits since margins were under pressure. Fortunately, Glaxo still had all its 1975 rights issue money salted away in the gilt-edged market and profits from this source transformed a 7 per cent. decline in trading profits into a 2 per cent. increase at the pre-tax level. Given that sterling has been sliding downhill since the turn of the year Glaxo should be able to recoup some of its exchange rate losses in the second half and full-year profits of £90m.-£95m. look possible.

However, exchange rate movements apart Glaxo's underlying trading performance has not been particularly impressive in its first half. Overseas sales were 3 per cent. higher and as there were no price increases, this reflected straight volume gains. Meanwhile U.K. sales (aside from the Vestric pharmaceutical wholesaling side) rose by 7 per cent. and again there were no notable price increases. Since the turn of the year Glaxo has increased its U.K. prices and this could add £5m., say, to profits in a full year.

Overseas Glaxo has found trading conditions difficult in its South American and Middle Eastern markets but Europe appears to have held up well. However, the real interest now lies in Glaxo's ambitions in the all-important U.S. market which accounts for around a quarter of free world pharmaceutical sales. Last November's acquisition of Meyer Laboratories was smaller than expected—given the length of time Glaxo has been looking—and the company still has to prove that it can establish itself in this market.

The other question surrounds Glaxo's new products. It introduced Trandate, an anti-hypertensive preparation, in the U.K. a year ago and Cefuroxime (an antibiotic) this year. With many of Glaxo's established products moving into a more mature growth phase it is still unclear whether the new products are going to be major successes. Although it is spending £20m. a year on R and D this only accounts for 5.7 per cent. of sales compared with a figure of 8 per cent. plus for the big U.S. pharmaceutical companies.

Inflation

Industry has been relaxing for many months now in a very comfortable financial climate, but the sharp upturn in the index of wholesale input prices in March—the rise was just ov[er] 2 per cent. after ten strai[ght] monthly declines—carries [with] it a hint of greater fi[nancial] pressures in the months [ahead]. Falling raw material pri[ces] [due] to the strength of sterl[ing and] the weakness of wo[rld com]modity markets, strong[ly influ]enced the cash flow of [the com]pany sector last ye[ar, with] industrial and commer[cial com]panies staying in med[...] cial surplus in the fina[ncial year] on a seasonally adjus[ted basis]. That made a surplus [...] for the second six m[onths, a] dramatic improvem[ent on the] near £2bn. deficit re[ported for] January-June.

This change was pa[rtly due to] the drop in stock ap[preciation] from £2.45bn. to ju[st] £1.1bn. between the [two half] years, a developmen[t which] contributed to the poor [...] reported company earn[ings but], of course, did no harm [to] profitability. Accor[ding to] official statistics, tradi[ng profits] of industrial and com[mercial] companies, net of stock [appre]ciation, rose by more th[an ...] between the first half [and the] second, although the up[...] had ebbed away by [the fourth] quarter of the year.

The position now is th[at with] sterling nearly 5 pe[r cent.] lower on a trade-weight[ed basis] than at the end of De[cember] higher raw material c[osts are] beginning to have an [impact] upon company finances. [It will] take a number of month[s, how]ever, before these cost in[creases] travel through the manu[factur]ing pipeline; output pri[ces are] still behaving satisfactori[ly with] a rise of only about ½ pe[r cent.] in March.

As for retail prices, [...] except an improbable sp[ate of] indirect tax increases fro[m the] Chancellor to-day—can now [stop] the year-on-year growth o[f the] RPI from easing to around [...] cent. by the time of the Ma[y and] June calculations, and hol[ding] that level through the sum[mer]. Beyond that, however, prosp[ects] are worsening. A good dea[l of] the recent weakness of sterl[ing] is likely to be feeding throu[gh] to retail prices by the end [of] the year, and the money sup[ply] has been buoyant enou[gh] recently to finance a renew[ed] acceleration of inflation. Eco[no]mists in the City are now ta[lk]ing of 9 per cent. inflation [by] December, and a return [to] double digit levels early 1979.

Owen and Vance to urge talks with Nkomo

BY TONY HAWKINS

SALISBURY, April 10.

DR. DAVID OWEN, Foreign Secretary, and Mr. Cyrus Vance, U.S. Secretary of State, are expected to visit Rhodesia next week to try to persuade the Rhodesian Government to take part in talks with the Patriotic Front.

Dr. Owen and Mr. Vance are expected here on Monday after talks in Dar es Salaam this weekend with Mr. Joshua Nkomo and Mr. Robert Mugabe, Patriotic Front leaders.

While their proposed visit has been welcomed here, there seems little chance that Dr. Owen and Mr. Vance will persuade the four-man Executive Council either to participate in the proposed conference or to abandon the internal settlement agreement.

The council — composed of Mr. Ian Smith, Bishop Muzorewa, the Rev. Sithole and Chief Chirau — said to-night that its most important task was to proceed with the full implementation of the Salisbury agreement. "It is therefore not in favour of reopening negotiations through the proposed all-party conference."

The statement followed four hours of talks to-day between Mr. John Graham, Britain's envoy, and Mr. Steven Low, of the U.S., and the deputy leaders of the four parties in the Rhodesian Government.

It was emphasised that it was the black leaders in particular who had dug in their toes on the question of reopening talks.

The three black parties are reported to be most reluctant to see any big changes in the March 3 agreement, although they have said on several occasions that they are willing to alter the transitional structure in such a way as to bring in Mr. Nkomo and Mr. Mugabe — if the latter agree to a ceasefire and to contest free elections at the end of this year.

The transitional government is believed to favour the proposed Owen-Vance visit because this would give the two western leaders an opportunity to discuss in detail the Salisbury agreement which, it is felt here, they have made no great effort to understand.

In particular, it is felt that—as apparently was the case to-day—the white politicians in Salisbury will seize the opportunity to allow black Nationalist leaders to make the running and express their viewpoints in the hope that this might convince London and Washington that the moderate Nationalist leaders are genuinely satisfied with the deal and anxious to make it work and achieve majority rule by the end of the year.

Continued from Page 1

Costs rise

around 8½ per cent. for the last four months, the lowest level since 1973. This trend is in line with the evidence of price rises notified to the Price Commission.

There is still, however, a wide gap between the 4¼ per cent. fall in industry's raw material costs in the last 12 months and the 11¾ per cent. rise in its output prices in this period. Higher labour costs explain some of the difference, though industry has also been attempting to widen its profit margins.

The increase in prices charged by food manufacturing companies was limited to only ½ per cent. in March, partly because of lower prices for tea. This index has increased by 1½ per cent. in the last three months.

The rise in the cost of materials bought by food manufacturing companies was also below average at ¾ per cent. last month as higher prices for cocoa, oils and oilseeds were partially offset by lower prices for coffee.

Outside the food sector, manufacturing raw material costs increased by 2¼ per cent. last month, largely reflecting the fall in sterling. Prices charged by non-food companies rose by ½ per cent.

Weather

U.K. TO-DAY

COLD, night frost and snow showers.

London, S.E. and Southern England, E. Anglia, the Midlands, Night frost and snow showers. Sunny intervals. Wind fresh. Max. 5C (41F).

East England, N.W. England, Lakes, Northern and N.E. England

Night frost. Snow showers. Sunny intervals and fresh wind. Max. 3C (37F).

S.W. England, S. Wales

Sunny intervals, becoming cloudy with rain, sleet or snow. Wind fresh. Max. 7C (45F).

N. Wales, Isle of Man, S.W. Scotland, N. Ireland

Cloudy with rain, sleet or snow. Wind moderate or fresh. Max. 3C (37F).

Outlook: Cold, frosty and cloudy, with some wintry showers.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	[illegible]	[illegible]	[illegible]	Madrid	[illegible]	[illegible]	[illegible]
Athens	[illegible]	[illegible]	[illegible]	Manchstr.	[illegible]	[illegible]	[illegible]
Bahrain	[illegible]	[illegible]	[illegible]	Melbourne	[illegible]	[illegible]	[illegible]
Barcelona	[illegible]	[illegible]	[illegible]	Milan	[illegible]	[illegible]	[illegible]
Belfast	[illegible]	[illegible]	[illegible]	Montreal	[illegible]	[illegible]	[illegible]
Belgrade	[illegible]	[illegible]	[illegible]	Moscow	[illegible]	[illegible]	[illegible]
Berlin	[illegible]	[illegible]	[illegible]	Munich	[illegible]	[illegible]	[illegible]
Birmghm.	[illegible]	[illegible]	[illegible]	Newcastle	[illegible]	[illegible]	[illegible]
Bristol	[illegible]	[illegible]	[illegible]	New York	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	Oslo	[illegible]	[illegible]	[illegible]
Budapest	[illegible]	[illegible]	[illegible]	Paris	[illegible]	[illegible]	[illegible]
B. Aires	[illegible]	[illegible]	[illegible]	Perth	[illegible]	[illegible]	[illegible]
Cairo	[illegible]	[illegible]	[illegible]	Prague	[illegible]	[illegible]	[illegible]
Cardiff	[illegible]	[illegible]	[illegible]	Reykjavik	[illegible]	[illegible]	[illegible]
Chicago	[illegible]	[illegible]	[illegible]	Rio de J'o	[illegible]	[illegible]	[illegible]
Cologne	[illegible]	[illegible]	[illegible]	Rome	[illegible]	[illegible]	[illegible]
Copenhgn.	[illegible]	[illegible]	[illegible]	Singapore	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]	Stockholm	[illegible]	[illegible]	[illegible]
Edinburgh	[illegible]	[illegible]	[illegible]	Strasbrg.	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]	Sydney	[illegible]	[illegible]	[illegible]
Geneva	[illegible]	[illegible]	[illegible]	Tehran	[illegible]	[illegible]	[illegible]
Glasgow	[illegible]	[illegible]	[illegible]	Tokyo	[illegible]	[illegible]	[illegible]
Helsinki	[illegible]	[illegible]	[illegible]	Toronto	[illegible]	[illegible]	[illegible]
H. Kong	[illegible]	[illegible]	[illegible]	Vienna	[illegible]	[illegible]	[illegible]
Jo'burg	[illegible]	[illegible]	[illegible]	Warsaw	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]	Zurich	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]				
Luxembrg.	[illegible]	[illegible]	[illegible]				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	[illegible]	[illegible]	[illegible]	Jersey	[illegible]	[illegible]	[illegible]
Algiers	[illegible]	[illegible]	[illegible]	Las Plms.	[illegible]	[illegible]	[illegible]
Biarritz	[illegible]	[illegible]	[illegible]	Locarno	[illegible]	[illegible]	[illegible]
Blackpool	[illegible]	[illegible]	[illegible]	Majorca	[illegible]	[illegible]	[illegible]
Bordeaux	[illegible]	[illegible]	[illegible]	Malaga	[illegible]	[illegible]	[illegible]
Casblnca.	[illegible]	[illegible]	[illegible]	Malta	[illegible]	[illegible]	[illegible]
Cape Tn.	[illegible]	[illegible]	[illegible]	Nairobi	[illegible]	[illegible]	[illegible]
Corfu	[illegible]	[illegible]	[illegible]	Naples	[illegible]	[illegible]	[illegible]
Dubrovnik	[illegible]	[illegible]	[illegible]	Nice	[illegible]	[illegible]	[illegible]
Faro	[illegible]	[illegible]	[illegible]	Nicosia	[illegible]	[illegible]	[illegible]
Florence	[illegible]	[illegible]	[illegible]	Oporto	[illegible]	[illegible]	[illegible]
Gibraltar	[illegible]	[illegible]	[illegible]	Rhodes	[illegible]	[illegible]	[illegible]
Guernsey	[illegible]	[illegible]	[illegible]	Salzburg	[illegible]	[illegible]	[illegible]
Innsbruck	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Inverness	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]	[illegible]
I. of Man	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
Istanbul	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.